



HEALTH DEPARTMENT

June 5, 2006

SMCo Site #559181

APN 015-023-380

Douglas Cefali
Malcolm Building LLC
92 Natoma Street, Suite 300
San Francisco, CA 94105

**SUBJECT: MALCOLM DRILLING, 200 OYSTER POINT BOULEVARD
SOUTH SAN FRANCISCO, CALIFORNIA**

Dear Mr. Malcolm:

Thank you for the May 31, 2006 *Soil Management Plan* submitted by The Source Group for the above referenced site. The plan is accepted as presented. Please be sure to submit a report of the final disposition of all of the excavated soil as indicated in the plan.

I appreciate your cooperation. Should you have any questions, please call me at (650) 363-4565.

Sincerely,

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program

cc: Glen Aoyama, Kier & Wright, 3350 Scott Blvd, Building 22, Santa Clara CA 95054
Kent Reynolds, The Source Group, 3451-C Vincent Road, Pleasant Hill, CA 94523
Steve Carlson, City of South San Francisco, 315 Maple Avenue, South San Francisco, CA 94083

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION

Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Adrienne Tisser • Health Director: Charlene Silva
455 County Center • Redwood City, CA 94063 • PHONE 650.363.4305 • TDD 650.573.3206 • FAX 650.363.7882
<http://www.smhealth.org>



**THE
SOURCE GROUP, INC.**

May 31, 2006

Mr. Charles Ice
San Mateo County Health Services Agency
Groundwater Protection Program
455 County Center
Redwood City, California 94063

**Subject: Soil Management Plan - Malcolm Drilling Property
 200 Oyster Point Blvd.
 So. San Francisco, California**

Dear Mr. Ice:

On behalf of Malcolm Properties LLC. (Malcolm), The Source Group, Inc. (SGI) is submitting the attached Soil Management Plan for the Malcolm Drilling Company property located at 200 Oyster Point Boulevard, South San Francisco, California. Your review of the subject document at your earliest convenience is greatly appreciated.

Please contact the undersigned if you have any questions or comments.

Sincerely,

The Source Group, Inc.

A handwritten signature in black ink, appearing to read "Kent R. Reynolds", written in a cursive style.

Kent R. Reynolds
Principal Geologist

Attachments: Soil Management Plan

cc: Mr. Douglas Cefali, Malcolm Properties LLC



HEALTH DEPARTMENT

April 5, 2006

**SMCo Site #559181
APN 015-023-380**

Douglas Cefali
Malcolm Building LLC
92 Natoma Street, Suite 300
San Francisco, CA 94105

**SUBJECT: MALCOLM DRILLING, 200 OYSTER POINT BOULEVARD
SOUTH SAN FRANCISCO, CALIFORNIA**

Dear Mr. Malcolm:

Thank you for the March 28, 2006 *Demolition and Grading Plan* submitted by Kier & Wright for the above referenced site. San Mateo County Health Department Groundwater Protection Program (GPP) staff reviewed these plans after receiving notification from the City of South San Francisco of the proposed redevelopment of the site in accordance with the March 21, 2006 letter from GPP staff. This site had been previously closed with a commercial deed restriction in place for barium and lead. Based on the grading plans, GPP staff will require as a condition of the development permit a Soils Management Plan.

The Soils Management Plan will need to describe how the soil will be handled, stored, segregated, tested, transported, and properly disposed of, if needed. Please note, the commercial deed restriction allows soils with concentrations of chemicals above residential, but below commercial, health and environmental based goals to be moved and remain on-site; however, it does not allow soils with concentrations of chemicals above hazardous waste criteria to be moved or remain on-site once they have been excavated. In addition, soils with concentrations of chemicals above residential, but below commercial, health and environmental based goals can't be moved to another unrestricted site.

Once the Soils Management Plan has been submitted and reviewed, all of GPP staff's time will be calculated to determine your cost associated with GPP staff's oversight of the above referenced site. After final payment has been made, the Soils Management Plan approval letter will be sent to you and all other appropriate entities.

I appreciate your cooperation. Should you have any questions, please call me at (650) 363-4565.

Sincerely,

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION

Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Adrienne Tissler • **Health Director:** Charlene Silva
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<http://www.smhealth.org>

200 Oyster Point Boulevard, South San Francisco (SMCo# 559181)

April 5, 2006

Page 2

cc: Glen Aoyama, Kier & Wright, 3350 Scott Blvd, Building 22, Santa Clara CA 95054
Kent Reynolds, The Source Group, 3451-C Vincent Road, Pleasant Hill, CA 94523
Steve Carlson, City of South San Francisco, 315 Maple Avenue, South San Francisco, CA 94083

From: Charles Ice
To: Doug Cefali; Steve.Carlson@ssf.net
Date: 3/24/2006 8:05:54 AM
Subject: 200 Oyster Point Blvd. SSF

Steve,

Thank you for your March 21, 2006 letter regarding the above referenced property. The Case Closure letter you request was actually signed March 21, 2006. Mr. Cefali of Malcolm Drilling should be receiving this letter in the mail soon if he has not already. In addition, a letter was sent to Mr. Sparks and Mr. Kirkman at the City of South San Francisco requesting notification to San Mateo County Health Department of any redevelopment of the property under the Government Code Section because a deed restriction was placed on the property as part of the remedial actions for this site restricting certain land uses. In addition, this property has appeared on our list of hazardous materials sites sent to Mr. Sparks and Mr. Kirkman as required under the Government Code Section quarterly since May 2003.

The developer's or property owner's representatives may provide you with additional information regarding the deed restriction on the property in relation to the lot split and the location of the proposed Treatment Center you mention in the letter. At this point, I will only be involved if I receive a notification from the City in response to the letter sent to Mr. Sparks and Mr. Kirkman. Any additional time on San Mateo County Health Department's part will be billed directly to the entity submitting the development plans which prompted the notification from the City.

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program
San Mateo County Environmental Health
455 County Center
Redwood City CA 94063
(650) 363-4565
(650) 599-1071 Fax
cice@co.sanmateo.ca.us



DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT
PLANNING DIVISION
(650) 877-8535
FAX (650) 829-6639

SAN MATEO COUNTY
ENVIRONMENTAL HEALTH

MAR 23 2006

RECEIVED

March 21, 2006

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program
San Mateo County Environmental Health
455 County Center
Redwood City CA 94063

Re: Development of 200 Oyster Point Boulevard

Charles:

This letter is a follow-up to our conversation and e-mails in the last couple of days regarding the proposed development of 200 Oyster Point Boulevard. The owner has received entitlements to allow a lot split and the development of a Kaiser Medical Treatment Facility on the easterly portion of the site. The owner has filed for a grading and drainage plan. One of the environmental document requirements prior to issuing any grading or other development permits is to ascertain whether the site has been issued a Case Closure. The development of the Kaiser Treatment Center is important to the City and would appreciate any efforts to expedite the review. The owner can provide you with copies of the proposed Grading and Drainage Plans.

Should you have any questions or want to meet to discuss your proposed project, please call me at 650/877-8535.

Regards,


Steve Carlson, Senior Planner

7004 2890 0001 8981 5432

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Sent To **DOUGLAS CEFALI/MALCOLM BLDG LLC**

Street, Apt. No.,
or PO Box No.

92 NATOMA ST, STE 300

City, State, ZIP+4

S.F. CA 94105

UNITED STATES POST SERVICE

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CA 941 37

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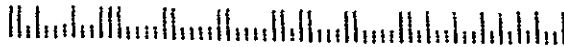
Permit No. G-10

Print your name, address, and ZIP code in this box.

GROUNDWATER PROTECTION PROGRAM
COUNTY OF SAN MATEO
ENVIRONMENTAL HEALTH SERVICES DIVISION
COUNTY OFFICE BUILDING
485 COUNTY CENTER
REDWOOD CITY, CA 94083

Attention: Charles Ice

0003



SENDER:

- Complete items 1 a, b, c, and d for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I at _____ wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

DOUGLAS CEFALI
MALCOLM BLDG LLC
92 NATOMA ST, STE 300
SAN FRANCISCO, CA 94105

4a. Article Number

7004 2890 0001 8981 5437

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Insured |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD |

7. Date of Delivery

3/27/06

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

8. Addressee's Address (Only if requested and fee is paid)

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

Return Receipt



HEALTH DEPARTMENT

March 21, 2006

SMCo Site #559181
APN 015-023-380

Douglas Cefali
Malcolm Building LLC
92 Natoma Street, Suite 300
San Francisco, CA 94105

**SUBJECT: CASE CLOSURE FOR HAZARDOUS MATERIALS ENCOUNTERED IN
SOILS AT 200 OYSTER POINT BOULEVARD, SOUTH SAN
FRANCISCO, CALIFORNIA**

Dear Mr. Cefali:

This letter confirms the completion of site investigation and corrective action for the hazardous materials(s) located at the above-described location. Thank you for your cooperation throughout this investigation. Your willingness and promptness in responding to our inquiries concerning the hazardous materials(s) are greatly appreciated.

Based on the information in the above referenced file and with the provision that the information provided to this agency was accurate and representative of site conditions, this agency finds that the site investigation and corrective action carried out at your hazardous materials(s) site is in compliance with the requirements of subdivisions (a) and (b) of Section 25296.10 of the Health and Safety Code and with the corrective action regulations adopted pursuant to Section 25299.3 of the Health and Safety Code and that no further action related to the hazardous materials(s) release(s) at the site is required.

This notice is issued pursuant to subdivision (g) of Section 25296.10 of the Health and Safety Code. Please contact our office if you have any questions regarding this matter.

Sincerely,

Dean D. Peterson, PE, REHS
Director, Environmental Health

cc: RWQCB
SWRCB

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION

Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Adrienne Tissler • Health Director: Charlene Silva
455 County Center • Redwood City, CA 94063 • PHONE 650.363.4305 • TDD 650.573.3206 • FAX 650.363.7882
<http://www.smhealth.org>



HEALTH DEPARTMENT

March 21, 2006

**SMCo Site #559181
APN 015-023-380**

Jim Kirkman
Chief Building Official
315 Maple Avenue
South San Francisco, CA 94080

Tom Sparks
Chief Planner
315 Maple Avenue
South San Francisco, CA 94080

**SUBJECT: RESIDUAL HAZARDOUS MATERIALS AT 200 OYSTER POINT
BOULEVARD, SOUTH SAN FRANCISCO, CALIFORNIA**

Dear Mr. Kirkman and Mr. Sparks:

The attached case closure letter was prepared by the San Mateo County Groundwater Protection Program (GPP). Although site closure was granted, a small amount of barium- and lead-affected soil exist at the site above concentrations acceptable for potential long-term exposure in a residential land use setting (see attached Figure). Although these metals do not appear to pose a risk to public health and the environment under existing land use conditions, changes in land use or removal of soil from the affected area may create a risk. A commercial deed restriction has been placed on the property regarding these residual metals preventing any residential or similar land use at the site until the residual metals are addressed. Therefore, any proposed change in land use or proposed soil or groundwater removal activity at or in close proximity to the subject site must be submitted to the GPP for our review so we can evaluate whether the residual contaminants will likely pose a risk to public health and the environment if the proposed activities are implemented. The costs to evaluate the public health or environmental consequences of the proposed land use or construction activity will be billed directly to the current property owner at the time of submittal for review.

Please call me at (650) 363-4565 if you have any questions. Thank you for your cooperation.

Sincerely,

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program

attachment

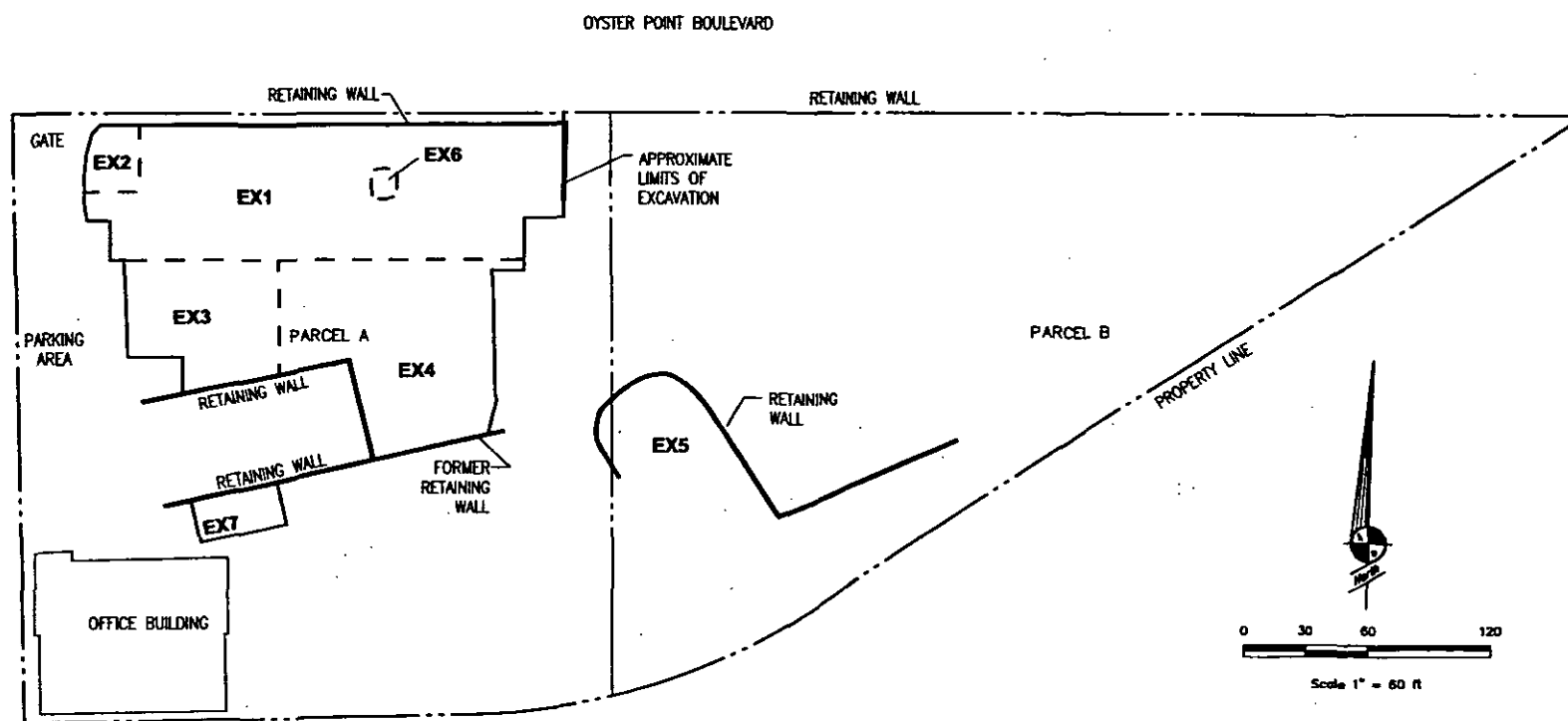
cc: Douglas Cefali, Malcolm Building LLC, 92 Natoma Street, Suite 300, San Francisco, CA 94105
Kent Reynolds, The Source Group, 3451-C Vincent Road, Pleasant Hill, CA 94523
Lawrence G. Lossing, Lossing & Elston, 100 Pine Street, Suite 3110, San Francisco, CA 94105

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION

Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Adrienne Tisser • **Health Director:** Charlene Silva

455 County Center • Redwood City, CA 94063 • phone 650.363.4305 • toll 650.573.3206 • fax 650.363.7882

<http://www.smhealth.org>



NOTE:
LOCATIONS & DIMENSIONS OF SITE FEATURES
(BLDGs, RETAINING WALLS) ARE APPROXIMATE

LEGEND
—— FORMER RETAINING WALL

SOILS ONLY

SAN MATEO COUNTY CASE CLOSURE SUMMARY VOLUNTARY CLEANUP PROGRAM (SOILS ONLY)

I. AGENCY INFORMATION

455 County Center, Redwood City, CA 94063
County Project Manager: Charles Ice
Title: Haz-Mat Specialist
Telephone Number: 650-363-4565

II. CASE INFORMATION

Site Name: Malcolm Property
Site Address: 200 Oyster Point Boulevard, South San Francisco

LUSTIS Case #: N/A	Local Case #: 559181	RWB CASE #
Record ID #: 01948	URF Filing Date:	APN: 015-023-380

Responsible Party Information

Name	Address	Phone #
Malcolm Building LLC	92 Natoma Street, Suite 400 San Francisco CA	

Tank Information

Tank #	Size in Gallons	Contents	REMOVED	Date

III. RELEASE AND SITE CHARACTERIZATION INFORMATION

Cause and Type of Release: *Unknown*
Site Characterization Complete? *Yes*
Date Approved by Oversight Agency: *June 2005*
Number of Monitoring wells Installed: *0*
Proper screened interval?
Highest GW depth BGS:
Flow Direction: *north (based on nearby site)*
Most sensitive GW use: *potential agricultural/ municipal as specified in Basin Plan*
Are Drinking Water affected? *No* Aquifer Name:
Is Surface Water Affected? *No* Nearest/Affected SW: *SF Bay*
Off-Site Beneficial use Impacts (Location): *None*
Report(s) on File? *Yes* Where is it filed? *SMCo*

Treatment and Disposal of Affected Material

Material	Amount (Include units)	Treatment or disposal	Date
Soil	11,818 tons	Disposal	2005

Maximum Documented Contaminant Concentrations - Before and After Cleanup

Contaminant	SOIL (PPM)		GROUNDWATER (PPB)	
	Before	After	Before	After
TPH-gasoline	ND	NA	ND	NA
TPH-diesel	280	ND	400	NA
TPH-motor oil	1800	47	350	NA
Barium	5600	1500	99	NA
Lead	1900	2100, next highest 560	ND	NA

IV. CLOSURE

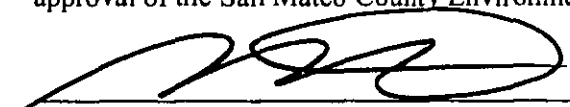
Does completed corrective action protect existing beneficial uses per the Regional Board Basin Plan? <i>Yes</i>
Does completed corrective action protect potential beneficial uses per the Regional Board Basin Plan? <i>Yes</i>
Does corrective action protect public health for current land use? <i>Yes</i>
Site Management Requirements: <i>Yes, see below</i>
Should corrective action be reviewed if land use changes? <i>Yes, see below</i>
Monitoring Wells to be Decommissioned? <i>0</i> Number Decommissioned: Number Retained:
List Enforcement Actions Taken: <i>None</i>
List Enforcement Action Rescinded: <i>None</i>

V. RWQCB Notification

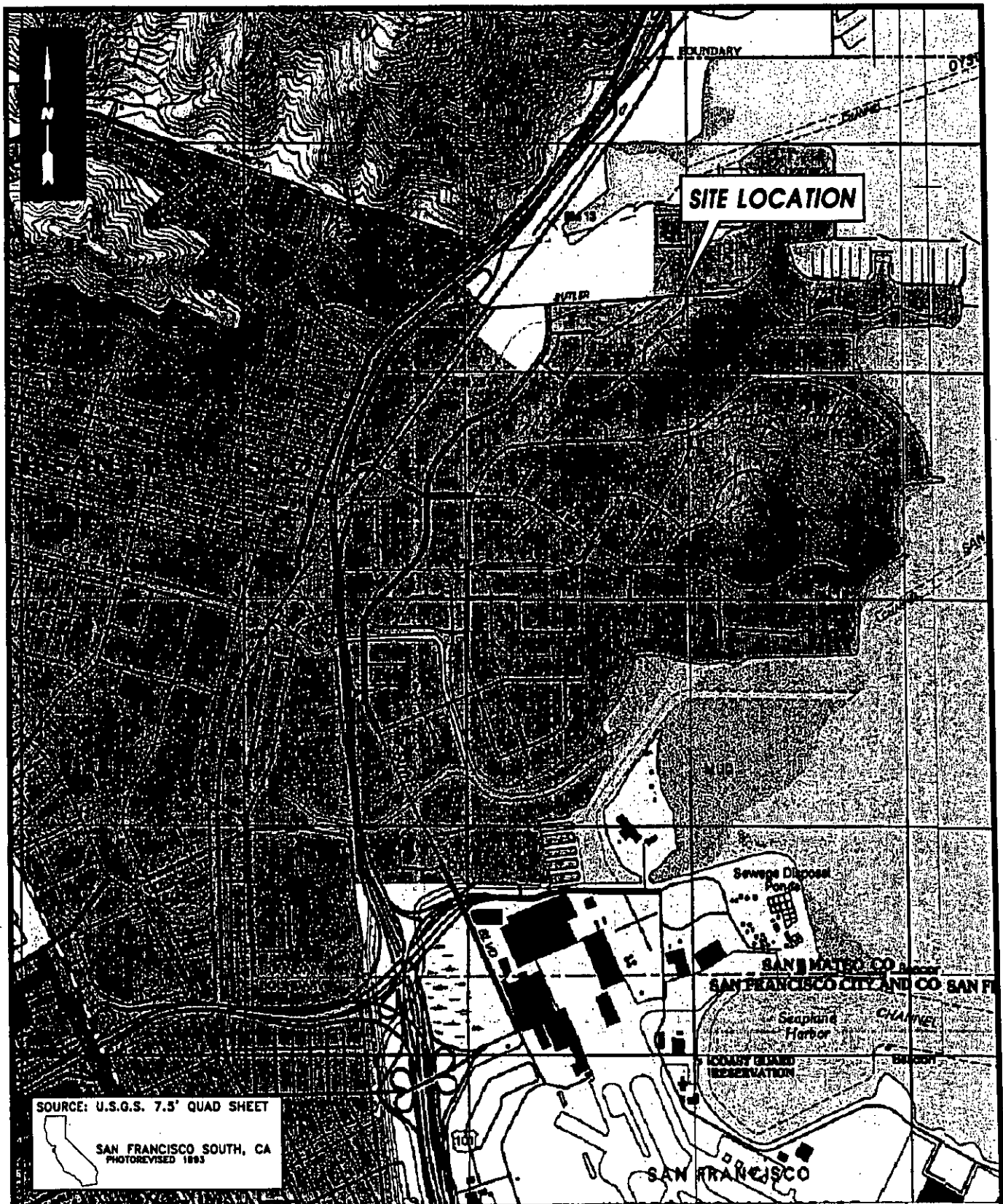
Date Submitted to RWQCB:	RB Response:
RB Staff: <i>Nancy Katyl</i>	Title: <i>Water Resource Control Engineer</i>

Comments:

A deed restriction has been attached to the title of this property prohibiting any residential land use without confirmation soil sampling to determine the degree to which natural attenuation has decreased the concentrations of residual contaminants, if any, and if the deed restriction can be removed with the approval of the San Mateo County Environmental Health Division.


Dean D. Peterson, Director, Environmental Health

Aug 2, 05
Date



SOURCE: U.S.G.S. 7.5' QUAD SHEET



SAN FRANCISCO SOUTH, CA
PHOTOREVISED 1993



The Source Group, Inc.
3451 Vincent Road, Suite C
Pleasant Hill, CA 94523

SITE LOCATION MAP

LOCATION

200 OYSTER BOULEVARD SOUTH
SAN FRANCISCO, CALIFORNIA

SCALE

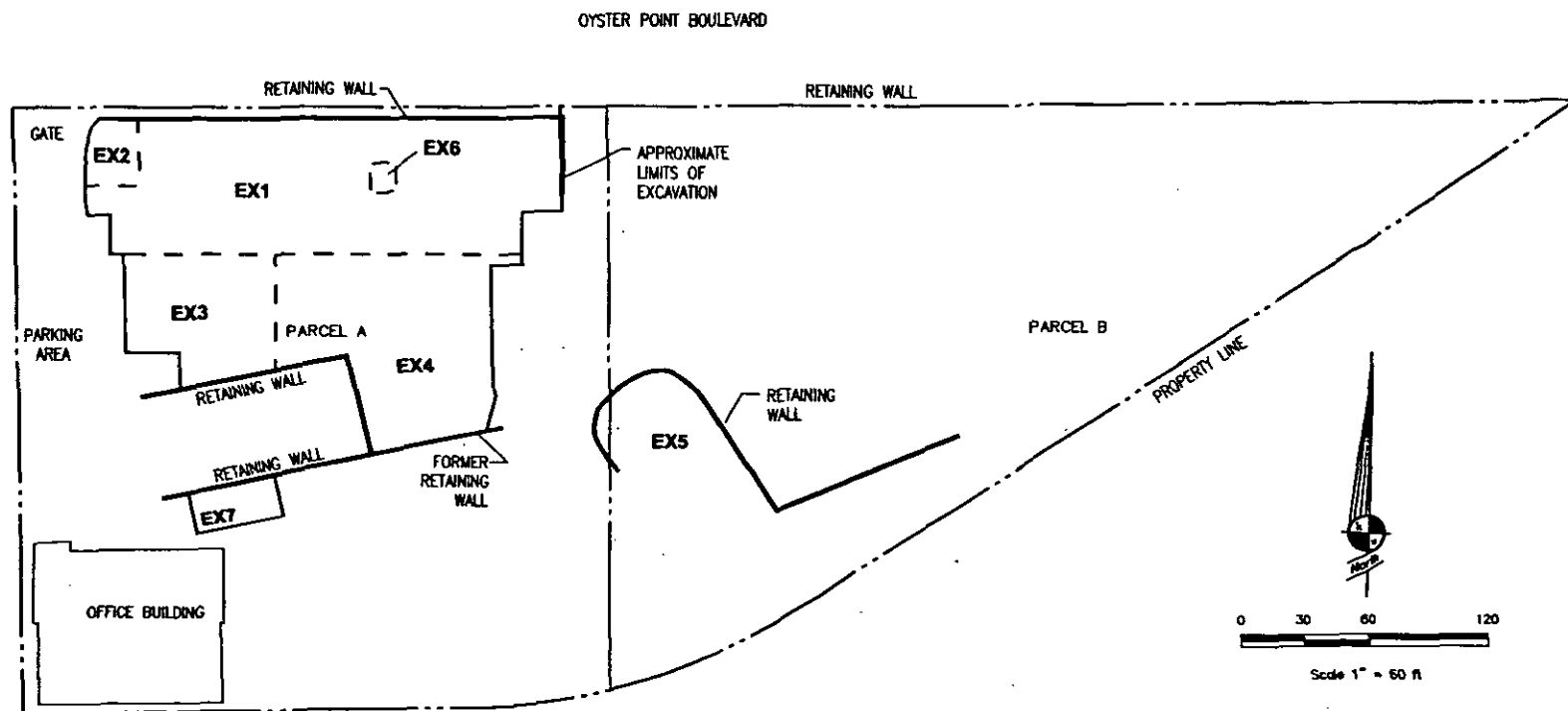
0 FEET 2000
SCALE

DATE

12/37/03

FIGURE NO.

1



NOTE:
LOCATIONS & DIMENSIONS OF SITE FEATURES
(BLDGs, RETAINING WALLS) ARE APPROXIMATE

LEGEND
— FORMER RETAINING WALL

SOILS ONLY

SAN MATEO COUNTY GROUNDWATER PROTECTION PROGRAM CASE CLOSURE M E M O R A N D U M

TO: File
FROM: Groundwater Protection Program Staff
DATE: June 30, 2005
SUBJECT: SMC Co. Site No. 559181
APN 015-023-380
MALCOLM PROPERTY
200 OYSTER POINT BOULEVARD
SOUTH SAN FRANCISCO, CA

The May 4, 2005 *Remedial Action Report* prepared by The Source Group provides the background history, investigative methods, extent of contamination, geology and hydrogeology, remediation activities, and closure rationale. The following sections provide additional information San Mateo County Health Department Groundwater Protection Program (GPP) has regarding the site.

BACKGROUND HISTORY

This report is the first and only report submitted to GPP indicating the property may have been previously occupied by the American Barium Company. All previous reports indicated Malcolm Drilling was the first occupant of the site. Blue Line Solid Waste Transfer Station to the west of the site is an open leaking underground storage tank site with GPP. Bay West Cove development to the north of the site is an open SLIC site with the Regional Water Quality Control Board (RWQCB). Federal Express to the south of the site is a closed leaking underground storage tank site with GPP.

INVESTIGATIVE METHODS

The concentrations of metals detected at the site were originally, incorrectly compared to the TTLC for the State of California Hazardous Waste Criteria for environmental screening purposes. GPP compared the concentrations of metals to RWQCB Environmental Screening Levels (ESLs) and identified barium and chromium as warranting further investigation.

The October 2003 GPP letter stated a 95% UCL would be acceptable for chromium in fill material at the site due to the heterogeneous chromium concentrations across the fill of the entire site; however, it also indicated that the 95% UCL currently presented for the site included soil samples not identified as being part of the fill layer at the site by the registered professional in charge and could not be accepted at that time.

GPP's December 2003 letter further explained the 95% UCL analysis for chromium would be accepted but not for barium because the variable concentrations of chromium were found to be

comparable to referenced background concentrations in publications and their heterogeneous distribution across the fill of the entire site. The barium concentrations detected at the site did not correlate to referenced background concentrations in publications and the concentrations of barium in soil above its ESL were located within one particular area of the site rather than randomly distributed across the entire site.

Even though the current site use includes pavement, buildings, and no landscaping, GPP must regulate the site for all potential future land uses which could include landscaping even in a commercial land use setting.

EXTENT OF CONTAMINATION

SOIL

The extent of barium-impacted soil above the commercial land use urban area ecotoxicity exposure pathway ESL of 1,500 milligrams per kilogram (mg/kg) was defined by the sidewall and bottom confirmation samples collected from each of the 7 excavated areas and the 47 direct push borings completed at the site. Total petroleum hydrocarbons discovered during excavation activities at the site were also laterally and vertically defined by excavation sidewall and bottom confirmation samples. Lead was also detected in soil above ESLs during excavation. Only one confirmation soil sample (CWS-6 at 2,100 mg/kg) detected lead above its commercial ESL of 750 mg/kg. The next highest lead concentration in a soil sample was 560 mg/kg and it was potentially excavated and removed from the site.

GROUNDWATER

No barium-, lead-, or petroleum hydrocarbon-impacts to groundwater above background concentrations or ESLs were identified.

LOCAL AND REGIONAL HYDROGEOLOGY

The property is located within the Coast Range Geomorphic Province. The property is also likely underlain by Holocene- and Pleistocene-age deposits along with the Cretaceous and Jurassic-age deposits. The Holocene-age soil is comprised of loose, moderately to well-sorted sandy or clayey silt, grading to sandy or silty clay classified by the registered professional in charge as fill. The Holocene-aged lithologic unit is likely underlain by the Pleistocene-age Colma Formation. This unit consists of fine- to medium-grained arkosic sand with lesser amounts of gravel, silt, and clay.

GROUNDWATER OCCURRENCE

The depth to water in monitoring wells installed at the adjacent Oyster Point Transfer Station facility ranged between 5- and 12-feet below ground surface with the groundwater flow direction measured to the north. The hydraulic gradient was measured at 0.005 foot per foot. Regional groundwater flow is inferred to be northeasterly, toward San Francisco Bay.

BENEFICIAL USES

The San Francisco Bay, Region 2, Regional Water Quality Control Board (RWQCB) Basin Plan for the San Francisco Bay currently defines the aquifers in San Mateo County to be suitable for

municipal supply, industrial supply and agricultural uses. Based on groundwater data collected at the site, the absence of concentrations of metals or petroleum hydrocarbons in the groundwater above ESLs should not have an adverse affect of existing or potential beneficial uses.

REMEDIATION ACTIVITIES AND EFFECTIVENESS

All remediation activities are described in the May 4, 2005 report with accompanying figures.

CLOSURE RATIONALE

This case is considered a low-risk soils only case for the following reasons.

- (1) The leak has been stopped and ongoing sources, including free product, have been removed or remediated.**

The primary sources of contamination may have been the activities of the former American Barium Company or the former Malcolm Drilling Company or fill brought to the site. Both companies no longer operate at the site and fill material is no longer being brought to the site.

- (2) The site has been adequately characterized.**

The extent of the impact to soil has been adequately characterized through sidewall and bottom excavation confirmation samples and soil samples collected from the 47 borings advanced at the site. Only one confirmation soil sample detected lead at a concentration above its commercial ESL.

No barium-, lead-, or petroleum hydrocarbon-impacts to groundwater above ESLs were detected at the site.

- (3) The dissolved hydrocarbon plume is not migrating.**

No barium-, lead-, or petroleum hydrocarbon-impacts to groundwater above ESLs were detected at the site.

- (4) Water wells, deeper drinking water aquifers, surface water, or other sensitive receptors are not likely to be impacted.**

No barium-, lead-, or petroleum hydrocarbon-impacts to groundwater above ESLs were detected at the site.

- (5) The site presents no significant risk to human health.**

All residual contamination at the site is below commercial ESL concentrations except for one soil sample for lead. A commercial deed restriction will be placed upon the property prior to closure. The site presents no significant risk to human health.

- (6) The site presents no significant risk to the environment.**

All residual barium contamination at the site is below the commercial urban area ecotoxicity ESL concentration. A commercial deed restriction will be placed upon the property prior to closure. Therefore, the site presents no significant risk to the environment.

RECOMMENDATIONS

Based on the investigation, and other information which is currently and actually known to this agency, we have determined that all appropriate response actions have been completed, all acceptable or remedial practices were implemented, and further investigation, remedial/removal

action, or monitoring is not required at the site with regard to a release of hazardous waste or substance from the underground storage tanks located at the site. We have determined that a significant release of diesel and/or gasoline fuel has not occurred and the shallow waters have not been significantly impacted. San Mateo County Groundwater Protection Program staff have determined that the water quality objectives of the San Francisco Bay Regional Water Quality Control Board have been satisfied.



Charles Ice, Haz-Mat Specialist III

June 30, 2005

Date

7
SAN MATEO COUNTY
ENVIRONMENTAL HEALTH

MAY 5 2005

RECEIVED

REMEDIAL ACTION REPORT

Malcolm Drilling Property
200 Oyster Point Boulevard
South San Francisco, California

01-MPI-001

Prepared For:

Malcolm Properties LLC
92 Natoma Street, Suite 400
San Francisco, California

Prepared By:



3451-C Vincent Road
Pleasant Hill, California 94523

May 4, 2005

Prepared By:

A handwritten signature in black ink, appearing to read "Kristene Tidwell".

Kristene Tidwell
Senior Staff Geologist

Reviewed By:

A handwritten signature in black ink, appearing to read "Kent R. Reynolds".

Kent R. Reynolds
Principal Geologist

A handwritten signature in black ink, appearing to read "Steven M. McCabe".

Steven M. McCabe, R.G.
Senior Hydrogeologist

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Appendix B	Laboratory Analytical Reports

1.0 INTRODUCTION

This report presents the results of soil remediation activities conducted on behalf of Malcolm Properties, Inc. (Malcolm), by The Source Group, Inc. (SGI) at the Malcolm Drilling Company property located at 200 Oyster Point Boulevard, South San Francisco, California (Site). Remediation activities were conducted in response to San Mateo County Health Services Agency Groundwater Protection Program's (GPP) request to remediate elevated concentrations of barium in soil.

1.1 Background

The 3.5-acre property is located approximately 0.2 miles southeast of Highway 101 and 0.2 miles west of San Francisco Bay (Figure 1). Currently, the Site is vacant with the exception of a small two-story office building located in the southwest corner of the property. The majority of the property was previously covered with asphalt, concrete parking and storage areas, and concrete floor slabs, foundations, and retaining walls associated with the former buildings (Figure 2).

The Site was purchased by Malcolm Drilling in 1979 and was used by Malcolm Drilling until 2002. Available records from the South San Francisco Library suggest that during the early 1900s the Site was occupied by the American Barium Company. Malcolm Drilling used the property mainly for administration, estimating, and accounting purposes. The property was also used for storage of equipment and limited equipment repair.

The Site is bounded by Eccles Avenue to the east, the former Blue Line Solid Waste Transfer Station to the west, Oyster Point Boulevard and the Bay West Cove development to the north, and a Federal Express Building and parking lot to the south.

1.2 Geologic and Hydrogeologic Setting

The Site is located on the southeast side of San Bruno Mountain, on the west side of San Francisco Bay. A review of historic topographic and geologic maps indicates that the Site located on a topographic rise protruding into San Francisco Bay. The surrounding area is characterized as Franciscan Complex Formation: Cretaceous and Jurassic sandstone with minor shale, chert, limestone, and conglomerate. The area of open bay surrounding the topographic rise was filled in the early 1900s, creating additional land.

An inlet of the San Francisco Bay is located approximately 1,500 feet northwest of the Site. Groundwater is locally encountered at depths ranging from 17 to 37 feet below ground surface (bgs). The groundwater gradient is estimated to be to the north-northwest towards San Francisco Bay.

1.3 Previous Site Investigations

Treadwell & Rollo submitted an *Environmental Site Characterization Report* to GPP on March 20, 2003 (Treadwell & Rollo, 2003). The report documented the collection, lab analysis, and evaluation of soil and groundwater samples from 17 soil borings (Figure 3). The purpose of the Site investigation was to assess the presence of petroleum hydrocarbons, heavy metals, volatile organic compounds (VOCs), and semivolatile organic compounds (SVOCs). Analytical results indicated low concentrations of total petroleum hydrocarbons as diesel (TPHd), as motor oil (TPHmo), VOCs, and SVOCs in the Site soil and groundwater. Slightly elevated concentrations of some metals were also identified. Analytical results were screened against the Total Threshold Limit Concentration (TTLC) for the State of California Hazardous Waste Criteria.

On May 7, 2003, GPP responded to the report mentioned above by designating the Site open for investigation and potential remediation (GPP 2003a). According to the GPP, environmental screening levels [(ESLs), formerly risk-based screening levels (RBSLs)], as established by the California Regional Water Quality Control Board (CRWQCB) Region 2 (San Francisco Bay) are the appropriate screening criteria. Treadwell & Rollo had used TTLCs for screening in the original investigation. GPP requested that Malcolm submit a work plan that would address the lateral and vertical extent of contamination in the soil and groundwater at the Site.

In the May 2003 letter, GPP indicated that a commercial deed restriction on the property could be used to obtain less stringent cleanup goals for the Site. The Source Group presented a comparison of Site soil and groundwater quality with the ESLs in a letter dated October 22, 2003 (SGI 2003a). GPP responded with a letter dated October 29, 2003 (GPP 2003b), which again requested a work plan and also stated that the 95% Upper Confidence Limit (UCL) evaluation for chromium would normally be accepted by GPP as acceptable and below regulatory criteria for further investigation.

In December 2003, SGI submitted a letter to the GPP that included an evaluation regarding the adequacy of soil and groundwater assessment at the subject property (SGI 2003b). In addition, statistical analyses were performed to further assess the background (ambient) concentrations of chromium and barium in the Site soil. Background concentrations of chromium and barium were evaluated using the 95% upper confidence limit (UCL) of the average concentration, assuming a lognormal distribution. GPP acknowledged that the analysis was acceptable for chromium but not for barium.

Comparison of the Site soil data using the CRWQCB ESL's indicated that, with the exception of barium and chromium, none of the individual concentrations of petroleum hydrocarbons, VOCs, SVOCs, or other CAM 17 metals exceeded the ESL for the residential exposure scenario. The 95% UCL concentrations of barium (353.15 mg/kg) and chromium (51.27 mg/kg) in Site soil were below the CRWQCBs ESL for residential land use scenario (SGI 2003b).

Review of groundwater quality data indicated that all samples were below the CRWQCB ESLs for the residential land use scenario, for the respective parameters (i.e., petroleum hydrocarbons, VOCs, SVOCs, and metals). Based on these conclusions, Malcolm Properties requested that GPP "close the Site".

On December 16, 2003, GPP issued a letter to Malcolm requesting a work plan to "characterize the lateral and vertical extent of contamination in soil and groundwater (GPP 2003c)." Based on the results of the investigations and evaluations conducted to date, and in response to the GPP request, additional soil assessments were proposed to further evaluate the magnitude and extent of barium in onsite soil (SGI 2004a). Based on the results of previous groundwater sample data, no additional groundwater assessment was proposed. A Soil Investigation Work Plan was submitted to GPP on January 27, 2004. The Work Plan was approved by the GPP in a letter dated January 28, 2004 (GPP, 2004):

In April 2004, eight soil borings, SB-13 through SB-20, were advanced by Precision Sampling Inc. (PSI), Richmond, CA, at the locations depicted on Figure 3. Soil boring locations were chosen based on comments provided by GPP and to further evaluate the extent of barium in soil. A total of 47 soil samples, collected during previous and the April 2004 investigation, were analyzed for barium.

Soil data was compared to ESLs developed by the CRWQCB. The published Tier 1 ESL for barium is based on Urban Area Ecotoxicity Criteria in a commercial/industrial setting. The urban area ecotoxicity criteria provided in the ESL document were intended for the protection of terrestrial biota (primarily plant toxicity concerns in the case of barium) under various land use scenarios, including residential, agricultural, and parkland. The Site is currently zoned commercial/industrial and includes asphalt, pavement, streets, office buildings, parking lots, and no landscaping. Pavement, streets, and buildings border the unpaved portions of the Site. SGI concluded that it was very unlikely that these areas support any relevant terrestrial habitat. However, the GPP requested that in the absence of other supporting evidence that the urban area ecotoxicity ESL should be used for this Site (GPP 2004b). The barium ecotoxicity ESL for shallow soils with commercial/industrial land use is 1,500 mg/kg.

In September 2004, SGI submitted a Remedial Action Plan (RAP) to address elevated concentrations of barium in soil at the Site (SGI 2004b). The RAP proposed to implement the removal of barium-affected soil where the concentration exceeds the ecotoxicity ESL for shallow soils for commercial/industrial land use (1,500 mg/kg) and administrative controls for soil that exceeds the ecotoxicity ESL for shallow soils for residential land use (750 mg/kg). The industrial/commercial ESL for Barium of 1,500 mg/kg was used for guidance in the soil removal activities that were carried out at the Site. The RAP was subsequently approved by the GPP in September 2004 (GPP 2004C).

1.4 Scope of Work

The scope of work presented in the RAP included:

- Excavation of barium-affected soil;
- Soil sampling and analysis;
- Transportation and disposal of barium-affected soil;
- Regrading of the Site; and
- Preparation of this report.

2.0 FIELD ACTIVITIES AND RESULTS

Construction activities associated with excavation, stockpiling, loading trucks were performed by DJK Construction (DJK), a licensed and HAZWOPER certified contractor. SGI observed the excavation activities and was responsible for all sampling and analyses. A description of field activities is presented below.

2.1 Pre-Field Activities

Pre-field activities included the layout of the planned excavation, utility clearance, and health and safety.

All field activities were conducted in accordance with a Site Specific Health and Safety Plan (HASP) prepared in accordance with 29 Code of Federal Regulations (CFR) 1910.120 and California Code of Regulations (CCR) Title 8 Section 5192 "Hazardous Waste Site Operations and Emergency Response Rule (HAZWOPER)." The objective of the HASP is to provide safe working conditions at the Site during field activities conducted by consultants and subcontractors on behalf of Malcolm. The HASP was kept in a prominent location at the Site during field activities.

Prior to beginning field activities, a daily safety meeting was conducted to inform all contractors about the location of the HASP, the posted emergency numbers, hospital route maps, and potential physical and chemical hazards. SGI required that all field personnel review and sign the HASP.

2.2 Soil Excavation Activities

Soil excavation activities were initiated on November 17, 2004 and completed on March 29, 2005. Excavation activities were carried out using an excavator, loader, and dump truck operated by DJK. Approximately 7,900 cubic yards of soil were excavated during this time. The final dimensions of the Site excavations are presented Figure 4. Site photographs are included as Appendix A.

Excavation activities were initially carried out based on the results of the soil boring investigation conducted by SGI in April 2004 and the scope of work presented in the RAP. Soil was temporarily stockpiled onsite for subsequent sampling, profiling, and disposal. In December 2004, it became evident that the extent of soil containing barium at concentrations in excess of 1,500 mg/kg was greater than originally estimated due to its distribution being predominately heterogeneous within the fill material.

To better define the lateral and vertical extent of barium-affected soil, a series of test pits were excavated and soil samples were collected and analyzed to determine the volume of soil to be removed. Soil lithologic and chemical analyses data was used to identify additional areas to be excavated. In addition,

if this were true, why wasn't all of the fill across the entire site above 1,500 ppm.

the chemical analyses were used to segregate the soil and profile the soil for proper disposal. Data from the test pits also made it possible to direct load soil into trucks for disposal. The locations of the test pits are shown on Figure 6.

Confirmation samples were collected following the completion of each "phase" of excavation to verify that the barium-affected soil had been removed in accordance with the RAP. Further lateral or vertical excavation and confirmation sampling was carried out until all confirmation soil samples met the cleanup level for barium specified in the RAP (1,500 mg/kg).

Soil excavation areas were identified as EX1, EX2, EX3, EX4, EX5, EX6, and EX7. EX2 consisted of a deeper portion of EX1. Excavations EX1, EX2, EX3, and EX4 were initially separate, but merged as excavation progressed. Figure 4 shows the approximate lateral extent of the merged excavation, including the approximate extent of Excavations EX1, EX2, EX3, and EX4. A description of excavation observations is presented below.

Soil encountered during excavation included fill and native soil. Fill material consisted dark brown or black clayey silt and sand which locally contained a significant amount of debris (concrete, bricks, metal filings, etc.) During excavation, several concrete footings and walls were encountered, primarily in the vicinity of EX4, the majority of which were removed. Other fill (soil) encountered included reddish brown or dark brown silt or clayey silt with little or no debris. The fill ranged from approximately 3 to 12 feet in thickness with the thickest sections occurring behind the retaining walls (EX1, EX5, and EX7)(Figure 4). Native soil consisting of pale yellow, clayey sand and sand was encountered underlying the fill in most excavations. In general, all excavations extended partially or fully into the underlying native soil.

During excavation activities, an area of notably different appearance was encountered within EX1 (Figure 4). The soil appeared to be impacted with petroleum hydrocarbons. An area of 15 feet by 19 feet by 15 feet below original grade was excavated and associated soil was segregated on March 17, 2005. The resulting excavated area was identified as EX6.

During soil characterization work, it became apparent that while total lead concentrations in soil were acceptable compared to ESLs, the results often failed the waste extraction test (WET) for non-hazardous disposal. As a result, more analytical testing and stockpile segregation were required to aid in proper disposal.

2.3 Soil Sampling and Analysis

Soil samples including final confirmation, test-pit, and stockpile samples were collected throughout excavation activities. Test pit and confirmation sample results are summarized in Tables 1 through 4, respectively and stockpile sample results are summarized in Tables 5 and 6. Final confirmation samples where the concentration of barium exceeded 1,500 mg/kg were subsequently removed (excavated) and

therefore are not included in Tables 2 through 4. The sample results for each of these sample types are presented below. Laboratory analytical reports are presented as Appendix B.

2.3.1 Sample Handling

All samples were collected by driving either 4-inch stainless steel tubes or 4-ounce glass jars into undisturbed soil, either in the excavation or collected by the excavator bucket. After samples were collected, stainless steel tubes were capped with Teflon tape and plastic lids, and jars were capped with screw lids. All soil samples were labeled, placed immediately into a cooler with ice, and transported to either Entech Analytical Laboratories of Santa Clara or Advanced Technology Laboratories of Signal Hill, California.

2.3.2 Removal of Clarifier

On March 11, 2005, the former sedimentation basin (clarifier) located in the northwest corner of the Site was accessed (Figure 2). Upon removing the lids, it was noted that all three chambers of the clarifier were filled with water or oil. A sample of oil from the middle chamber was collected using a bailer and submitted to Entech Laboratories for chemical analyses. The sample was analyzed for VOCs using EPA Method 8260B and PCBs using EPA Method 8082A. No VOCs or PCBs were detected in the oil sample. On March 21, 2004 the oil and water were subsequently pumped out of the chambers and transported by Clearwater Environmental to Alvisio Independent Oil, a recycling facility.

On March 24, 2005, SGI observed the removal of the clarifier. No cracks or holes were noted upon removal and no staining was observed on the soil underlying the clarifier. Two soil samples, WO-1 and WO-2, were collected from the soil underlying the clarifier. These soil samples were analyzed for TPHmo and TPHd using EPA Method 8015 and VOCs using EPA Method 8260B. No TPHd or VOCs were detected in either sample. TPHmo was reported in the two samples at a concentration of 47 mg/kg and 31 mg/kg, respectively. No additional soil was excavated in this area because the TPHmo concentrations did not exceed the commercial/industrial land use ESL of 1,000 mg/kg. Laboratory analytical reports are presented as Appendix B.

2.3.3 Test-Pit Sample Results

A total of 29 test-pit locations were dug through the course of soil excavation activities at the Site (Figure 6). Test-pit soil samples were generally analyzed for total lead and total barium. In 14 of these locations (EX1-38 through EX1-41, EX1-43, TP-5 through TP-7, TP-9 through TP-11, TP-17, TP-21, and TP-23), barium was reported in soil samples collected from all depth intervals at concentrations less than 1,500 mg/kg. Soil samples collected in the shallow debris-containing soil (fill) contained the highest concentrations of barium and lead. Test pit sample results are presented in Table 1.

2.3.4 Confirmation Soil Sample Results

Following excavation, confirmation samples were collected to verify that the concentration of barium in soil did not exceed 1,500 mg/kg. In accordance with the approved RAP confirmation soil samples were collected along 20-foot centers along the bottom and sidewalls of the excavations. Sidewall samples were collected at a point mid-way between the top and bottom of the excavation. The concentrations of barium in the confirmation samples ranged from 34 mg/kg to 1,500 mg/kg. Final Confirmation sample results are presented in Tables 2, 3, and 4. Confirmation sample locations are presented in Figures 7 through 10.

2.3.4.1 Excavation EX6 Results

Soil samples were also collected from the sidewalls and bottom of EX6. Soil excavated from EX6 was segregated. One composite soil sample was collected from the segregated soil and analyzed for TPHd, TPHmo, and VOCs. Four sidewall and two bottom samples were also collected submitted for the same analyses. No TPHd, TPHmo, or VOCs were detected in any of the bottom or sidewall samples. No TPHd was detected in the segregated soil. Within the segregated soils, TPHmo was reported at a concentration of 220 mg/kg; the following VOCs were reported at the respective concentrations: 1,2,4-trimethylbenzene (4.1 mg/kg); 1,3,5-trimethylbenzene (4.1 mg/kg); 1,4-Dioxane (12 mg/kg); n-Propylbenzene (0.43 mg/kg); and Napthalene (0.38 mg/kg). No other VOCs were detected in the segregated soil. The laboratory analytical report for EX6 is presented in Appendix B.

2.3.5 Stockpile Sample Results

Four stockpiles were generated during excavation activities at the Site. The remaining volume of soil that was excavated from the Site was direct-loaded into trucks and immediately transported to the appropriate landfill. The stockpiles were identified as SP1, SP2, SP3, and SP4.

To characterize stockpiles for disposal, soil samples were collected for each stockpile. Prior to sampling, each stockpile was sampled based on the sample frequency required by the landfill. The volume of the four stockpiles was estimated to be 750, 120, 900, and 950 cubic yards, respectively. Eight soil samples were collected from SP1 (SP1A-H), four from SP2 (SP2A-D), and eight from SP3 (SP3A-H) and SP4 (SP4A-H). Soil samples were composited in sets of four (SP1A-D, SP1E-H, SP2A-D, SP3A-D, SP3E-H, SP4A-D, SP4E-H).

2.3.5.1 Stockpiles SP1 and SP2

SP1 and SP2 were the first stockpiles generated and sampled, so more extensive testing was performed. These stockpiles were analyzed for TPHd, TPHmo, SVOCs, VOCs, PCBs, pesticides, and CAM 17

metals. No SVOCs, PCBs, pesticides, or VOCs other than one low concentration (2 mg/kg) of 1,2,4-Trimethylbenzene were detected in these composites (SP2 A-D). Select total metals were detected in these samples. Based on this current data and Treadwell and Rollo's 2003 data, SGI selected six metals for the WET analysis. These constituent total analytical results exceeded 10 times their respective soluble threshold limit concentrations (STLCs). Composite samples collected from SP1 were also analyzed for barium, chromium, and lead for using the toxicity characteristic leaching procedure (TCLP). These constituent total concentrations exceeded 20 times their respective TCLP regulatory limit. The WET and TCLP analyses were utilized to determine the disposition of each stockpile.

2.3.5.2 Stockpile SP3

SP3 was generated subsequent to receiving analytical results from SP1 and SP2. This data and previous site data indicated that pesticides were not present at the Site. Therefore, no pesticide analysis was requested for composite samples associated with SP3. WET analysis was not performed for any metals because previous results indicated that total lead results exceeding 10 times the STLC also generally exceeded the STLC by the WET analysis. TCLP results from SP1 and SP2 also indicated that TCLP analyses were not required for soil disposition. Other than these analyses, soil samples collected from SP3 were analyzed for the same analytes as SP1, for similar reasons.

2.3.5.3 Stockpile SP4

SP4 was the last stockpile generated. All composite samples collected from SP1, SP2, and SP3 indicated that metals, specifically lead, were the only compounds requiring analysis for disposal purposes. All other compounds were either not detected in samples, or detected well below their respective non-hazardous acceptance criteria. Therefore, SP4 was only analyzed for total CAM 17 metals. Soil disposition of SP4 was determined using only the total metal results.

2.3.5.4 Total Petroleum Hydrocarbons

TPHmo concentrations ranging between 41 mg/kg in composite sample SP3A-D to 1,800 mg/kg in SP2A-D. No TPHd was reported in stockpile samples collected from SP1 or SP2. TPHd was reported in SP3A-D and SP3E-H at concentrations of 22 mg/kg and 280 mg/kg, respectively. No TPHk or TPHms was reported in SP2A-D.

2.3.5.5 VOCs, SVOCs, PCBs, and Pesticides

No SVOCs, PCBs, or pesticides were reported in any of the stockpile composite sample where these analyses were requested. No VOCs were reported in any composite sample with the exception of 1,2,4 trimethylbenzene that was reported at a concentration of 2 mg/kg in SP2A-D.

2.3.5.6 Metals

All stockpile composite samples were analyzed for Title 22 metals. No antimony, beryllium, cadmium, silver, or thallium was detected above laboratory reporting limits. Of the remaining metals that were detected (arsenic, barium, chromium, cobalt, copper, lead, mercury, nickel, selenium, vanadium, and zinc), none of the concentrations exceeded their respective total threshold limit concentration (TTL). WET analyses were performed for SP1 and SP2 composite samples for arsenic, barium, chromium, lead, mercury, and vanadium. Lead was detected in the composite samples collected from SP1 at concentrations exceeding its respective STLC. No WET analyses were performed for composites collected from SP3 or SP4 because soil was profiled using total metal results. TCLP analysis was performed on SP1 composite samples for chromium, barium, and lead because total concentrations of these metals exceeded 20 times their regulatory limit. However, none of the TCLP analyses were reported at concentrations exceeding their respective regulatory limit.

2.4 Soil Profiling, Transportation, and Disposal

Soil generated from the initial phase of excavating in EX1/2 and EX3 were stockpiled and temporarily stored onsite. Soil was placed into three stockpiles: SP1, SP2, and SP3. Stockpiles SP1 and SP2 were stored temporarily on the southern portion of the property east of the former office building. SP3 was temporarily stored on the eastern portion of the Site. SP4 was generated during the initial excavation of EX4, and was temporarily placed in the same location where SP1 had been placed prior to disposal. Soil stockpile locations are shown on Figure 5.

As discussed above, the WET analysis for lead exceeded its STLC of 5 milligrams per liter (Table 5) in SP1, which classified this soil as California hazardous waste requiring Class I disposal. In SP3 and SP4, lead results were compared to 10 times the STLC in the absence of WET analysis. These comparisons indicated that lead reported above 10 times the TTL in three of the four composite samples. Therefore, SP4 and half of SP3 (E-H) were disposed of as California hazardous waste.

Soil samples from test-pits were analyzed for lead in addition to barium. Based on these results, soil was segregated for subsequent disposal as Class I, Class II, and Class III. This data enabled excavated soil to be direct-loaded into trucks for immediate transport and disposal offsite.

A summary of the final disposition of the soil is presented below.

2.4.1 Asphalt and Concrete

Prior to excavation, overlying concrete and asphalt was broken up and stockpiled throughout soil excavation activities. Asphalt and concrete was disposed of at Granitrock's recycling facility located in Redwood City, California.

2.4.2 Class I Soil

Class I soil was transported using end dumps to the San Francisco rail yard. The soil was then transferred to rail car for subsequent transport East Carbon Development Corporation (ECDC) Landfill in East Carbon, Utah. A total of 7,153 tons of class I soil was transported to ECDC.

2.4.3 Class II Soil

The Class II soil from SP2 and SP3 were transported using end dumps to Forward Landfill of Manteca, California. A total of 1,057 tons of class II soil was transported to Forward Landfill.

2.4.4 Class III Soil

All Class III soil was transported to OX Mountain Landfill, Half Moon Bay, California. At total of 3,608 tons of class III soil was transported to Ox Mountain.

3.0 SUMMARY AND CONCLUSIONS

The primary objective of the remedial actions conducted for the Site included the removal (excavation) and offsite disposal of approximately 11,818 tons of soil containing concentrations of barium in excess of 1,500 mg/kg. Removal activities were conducted between the period of November 2004 and March 2005 in accordance with the RAP prepared by SGI and subsequently approved by San Mateo County.

Excavation activities were initially carried out based on the results of the soil boring investigation conducted by SGI in April 2004 and the scope of work presented in the RAP. Soil was stockpiled temporarily onsite for subsequent sampling and profiling for disposal. In December 2004, it became evident that the extent of soil containing barium at concentrations in excess of 1,500 mg/kg was greater than originally estimated due to its distribution being predominately heterogeneous within the fill material.

To better define the lateral and vertical extent of barium-affected soil, a series of test pits were excavated and soil samples were collected and analyzed to determine the lateral and vertical extent of soil to be removed. Soil lithologic and chemical analyses data was used to identify additional areas to be excavated. In addition, the chemical analyses were used to segregate the soil and profile the soil for proper disposal.

Confirmation samples were collected following the completion of each "phase" of excavation to verify that the barium-affected soil had been removed in accordance with the RAP. Further lateral or vertical excavation and confirmation sampling was carried out until all confirmation soil samples met the cleanup level for barium specified in the RAP (1,500 mg/kg).

Soil encountered during excavation included fill and native soil. Fill material consisted dark brown or black clayey silt and sand which locally contained a significant amount of debris (concrete, bricks, metal filings, etc.) During excavation, several concrete footings and walls were encountered, primarily in the vicinity of EX4, the majority of which were removed. Other fill (soil) encountered included reddish brown or dark brown silt or clayey silt with little or no debris. The fill ranged from approximately 3 to 12 feet in thickness with the thickest sections occurring immediately behind the retaining walls (EX1, EX5, and EX7). Native soil consisting of pale yellow, clayey sand and sand was encountered underlying the fill in most excavations. In general, all excavations extended partially or fully into the underlying native soil. In general, soil samples collected in the shallow debris-containing soil (fill) contained the highest concentrations of barium and lead. In general, the highest concentrations of barium were observed in the fill.

Soil samples collected from the test pits, excavations, and soil stockpiles were used to profile the soil for proper offsite disposal. A total of approximately 7,153 tons, 1,057 tons, and 3,608 tons of soil were disposed of at the ECDC, Forward, and Ox Mountain Landfills, respectively.

The results of the confirmation sampling indicate that the remaining concentrations of barium in soil do not exceed 1,500 mg/kg. In consideration of the above findings and conclusions, it is The Source Group's opinion that on the basis of risk, further remediation and/or assessment is not warranted.

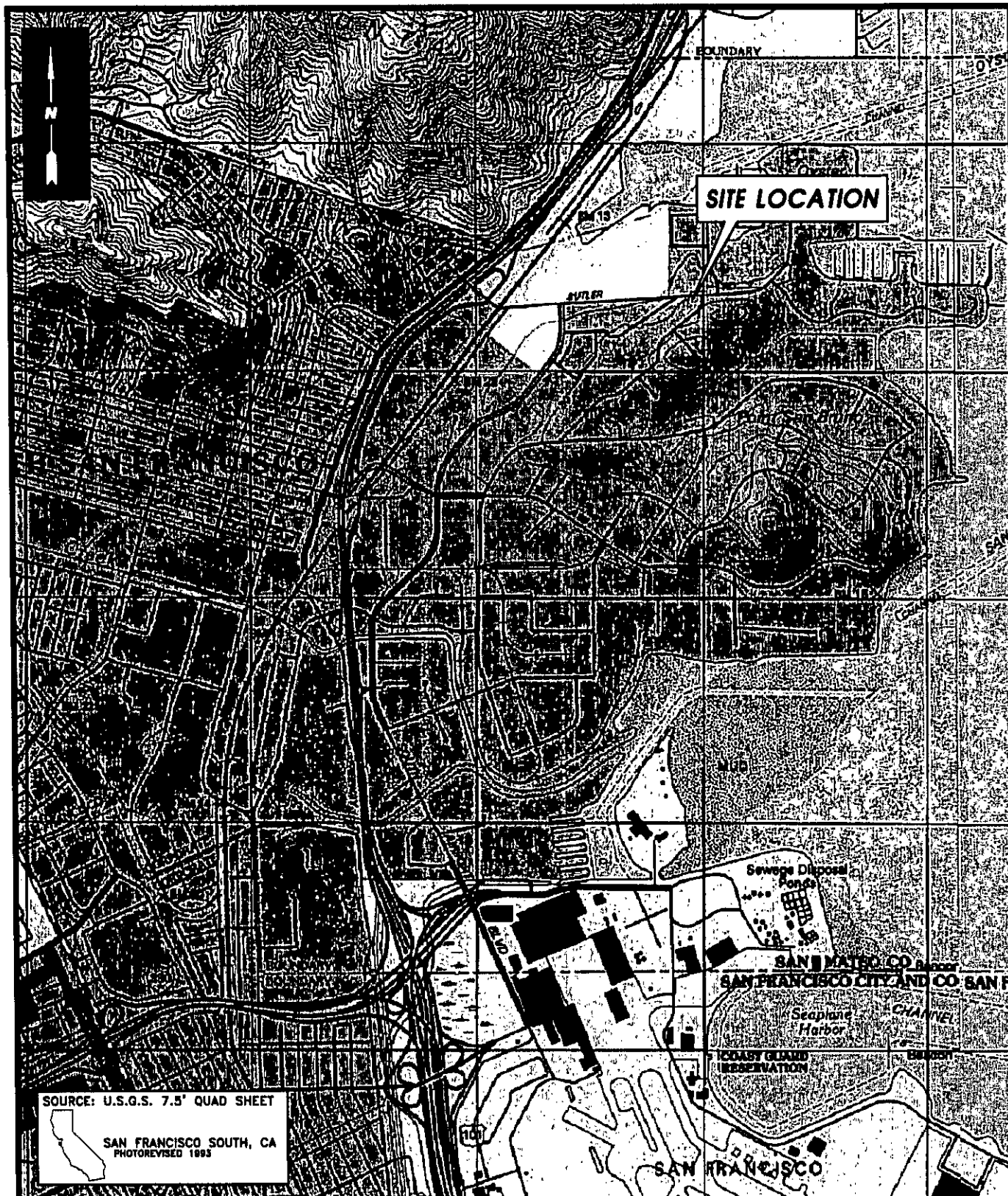
An administrative control in the form of a deed restriction will be implemented upon final acceptance of the RAP. The deed restriction will specify that the area of soil impact located in the west portion of the Site (Parcel A) will be limited in development for commercial use. The deed restriction will follow a format acceptable to GPP and will run with the land indefinitely.

4.0 REFERENCES

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FIGURES



SOURCE: U.S.G.S. 7.5' QUAD SHEET



SAN FRANCISCO SOUTH, CA
PHOTOREVISED 1993



The Source Group, Inc.
3451 Vincent Road, Suite C
Pleasant Hill, CA 94523

SITE LOCATION MAP

LOCATION

200 OYSTER BOULEVARD SOUTH
SAN FRANCISCO, CALIFORNIA

SCALE

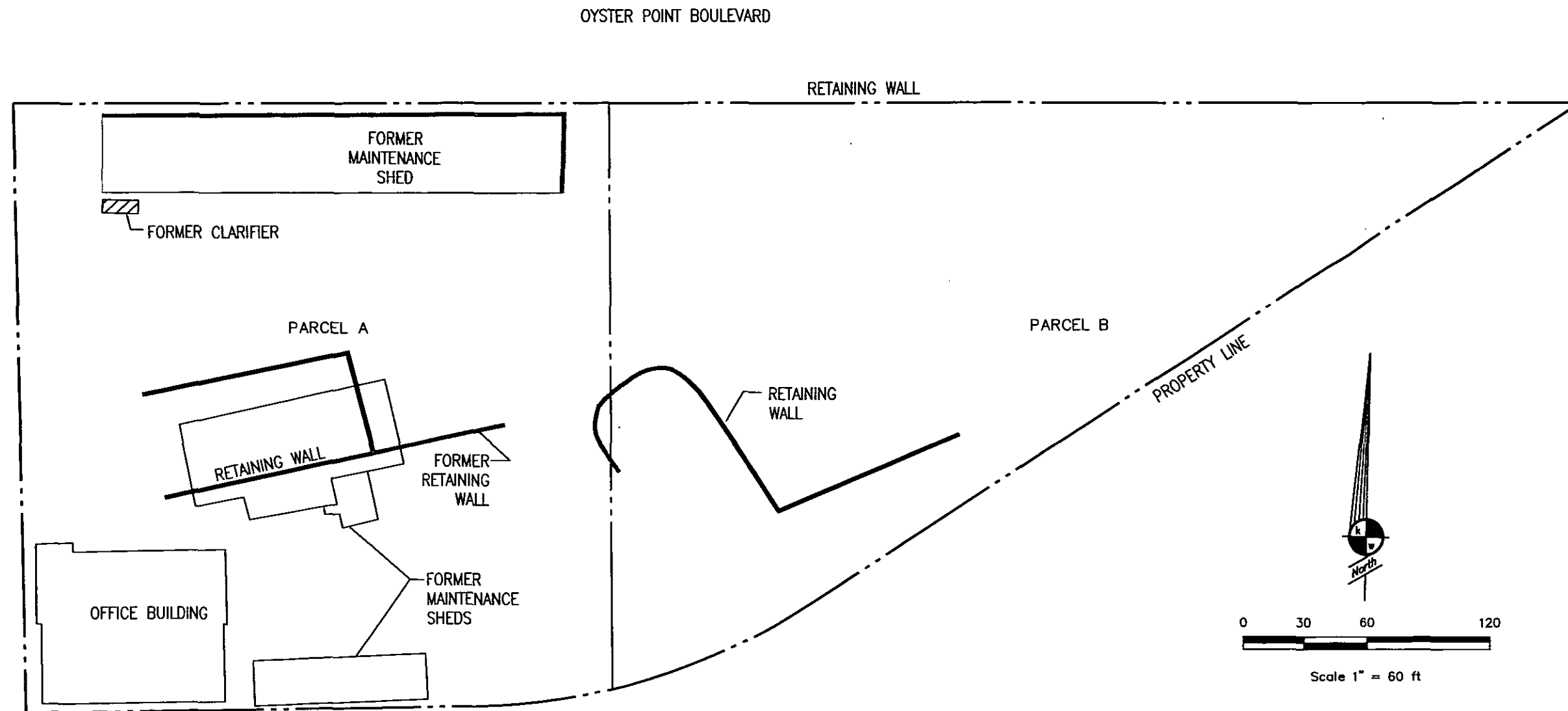
0 FEET 2000
SCALE

DATE

12/37/03

FIGURE NO.

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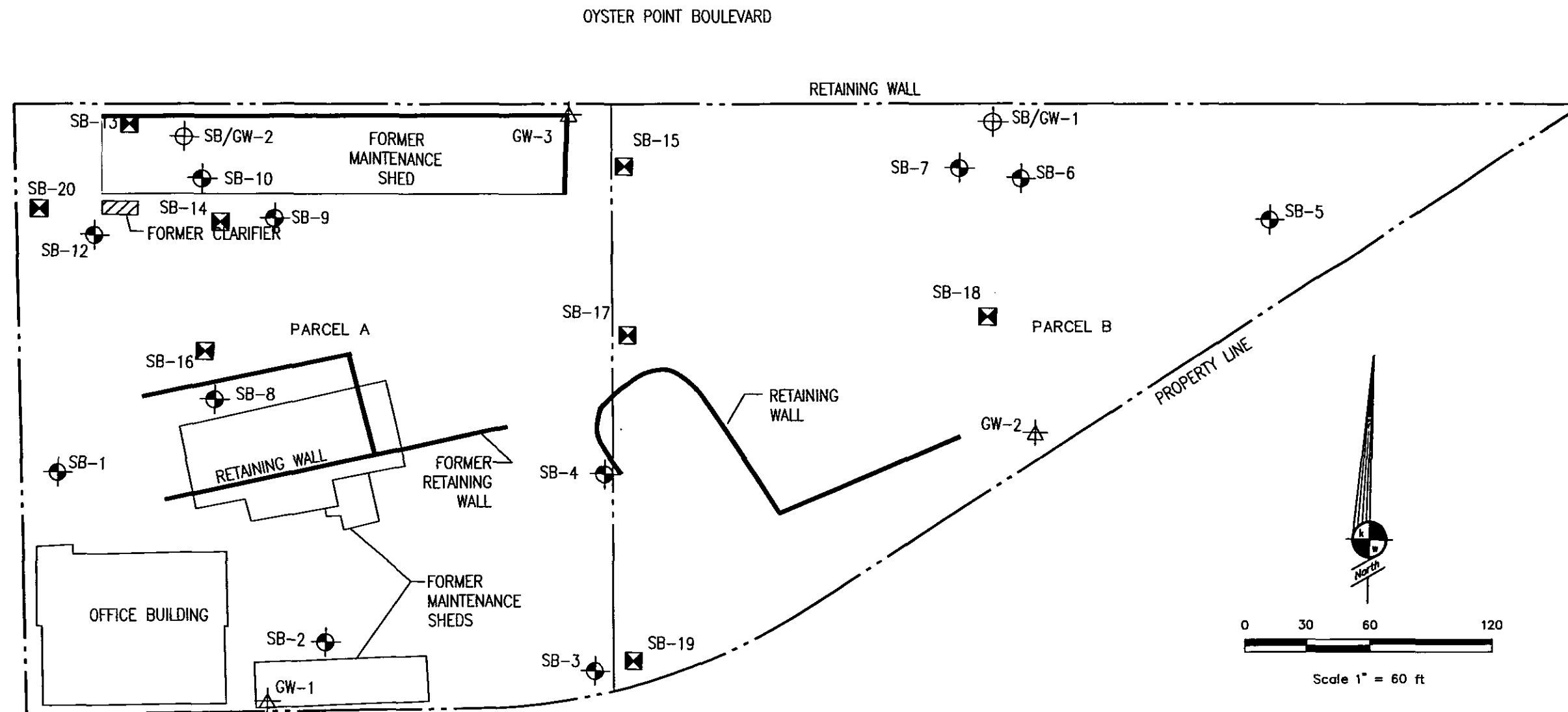


LEGEND

FORMER RETAINING WALL

NOTE:

LOCATIONS & DIMENSIONS OF SITE FEATURES (BLDGs, RETAINING WALLS) ARE APPROXIMATE

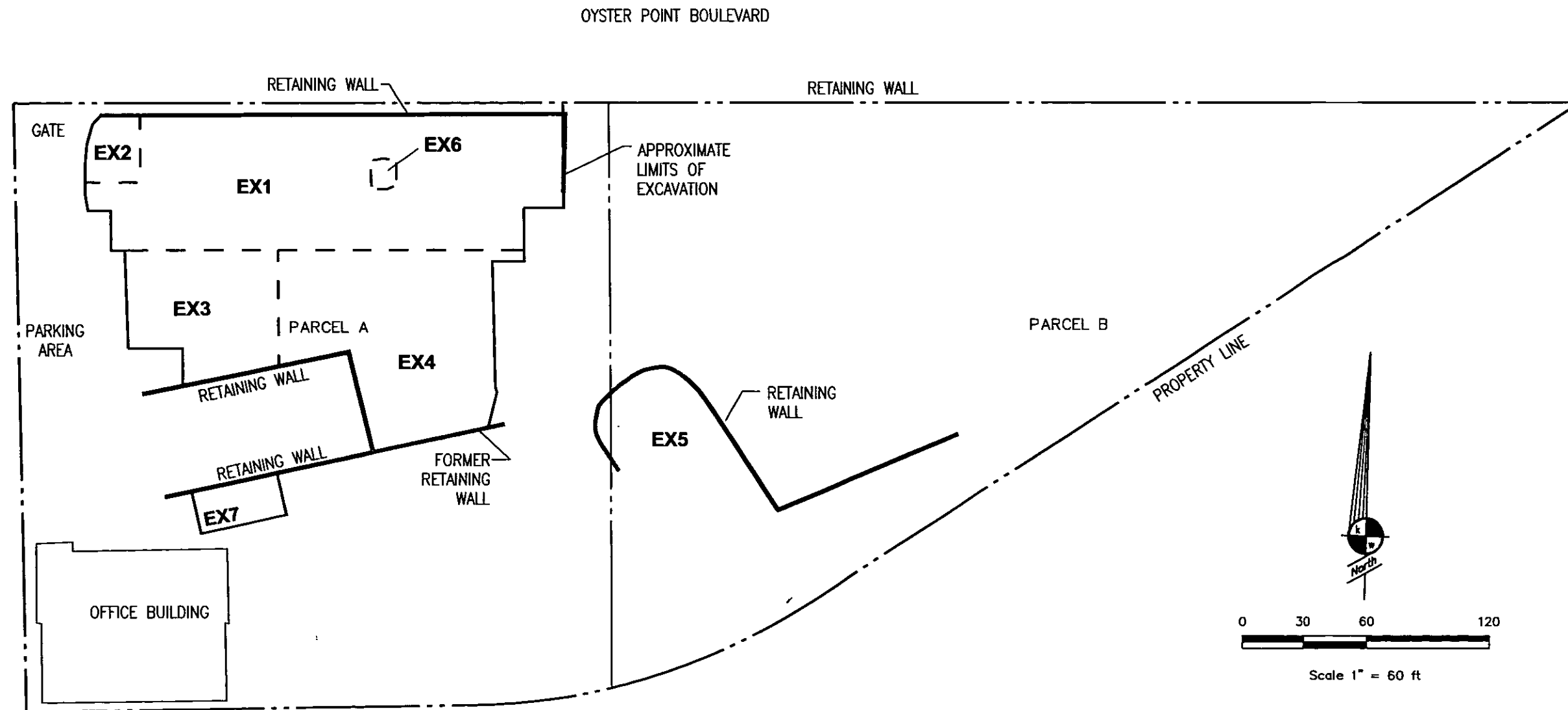


LEGEND

- FORMER RETAINING WALL
- APPROXIMATE SOIL SAMPLING LOCATION (THE SOURCE GROUP, APRIL 2004)
- APPROXIMATE SOIL SAMPLING LOCATION (TREADWELL & ROLLO, FEBRUARY 2003)
- APPROXIMATE SOIL AND GROUNDWATER SAMPLING LOCATION (TREADWELL & ROLLO, FEBRUARY 2003)
- APPROXIMATE GROUNDWATER SAMPLING LOCATION (TREADWELL & ROLLO, FEBRUARY 2003)

NOTE:

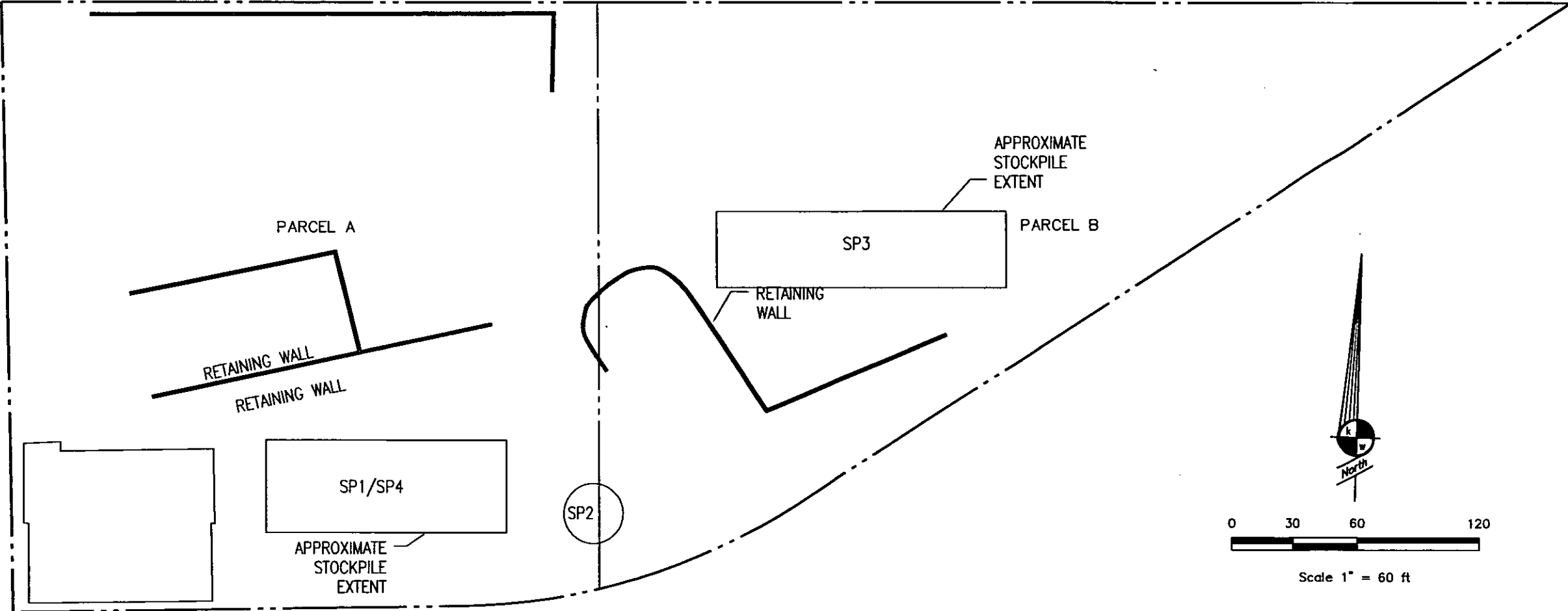
LOCATIONS & DIMENSIONS OF SITE FEATURES (BLDGS, RETAINING WALLS) ARE APPROXIMATE



NOTE:
LOCATIONS & DIMENSIONS OF SITE FEATURES
(BLDGS, RETAINING WALLS) ARE APPROXIMATE

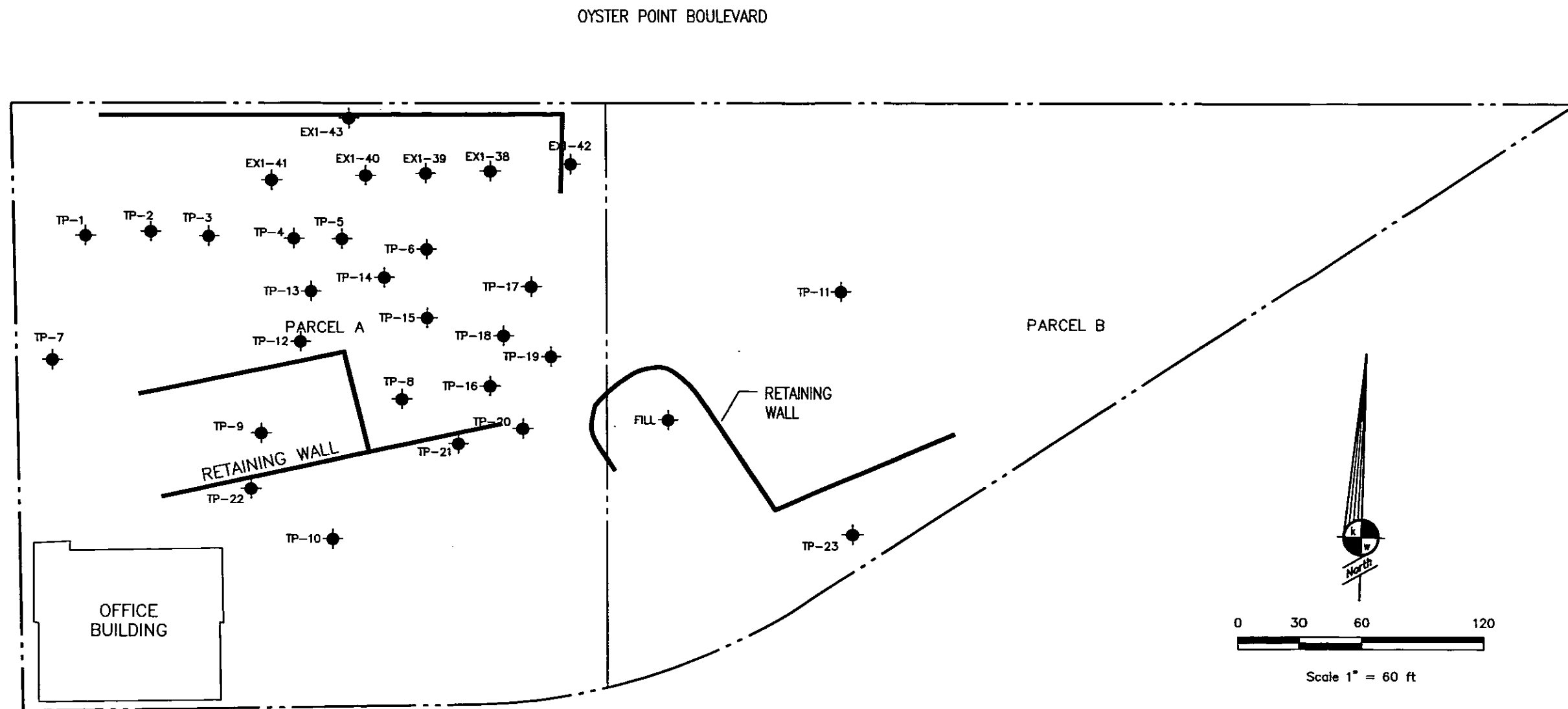
LEGEND
—— FORMER RETAINING WALL

OYSTER POINT BOULEVARD



NOTE:
LOCATIONS & DIMENSIONS OF SITE FEATURES
(BLDGs, RETAINING WALLS) ARE APPROXIMATE.

LEGEND
—— FORMER RETAINING WALL

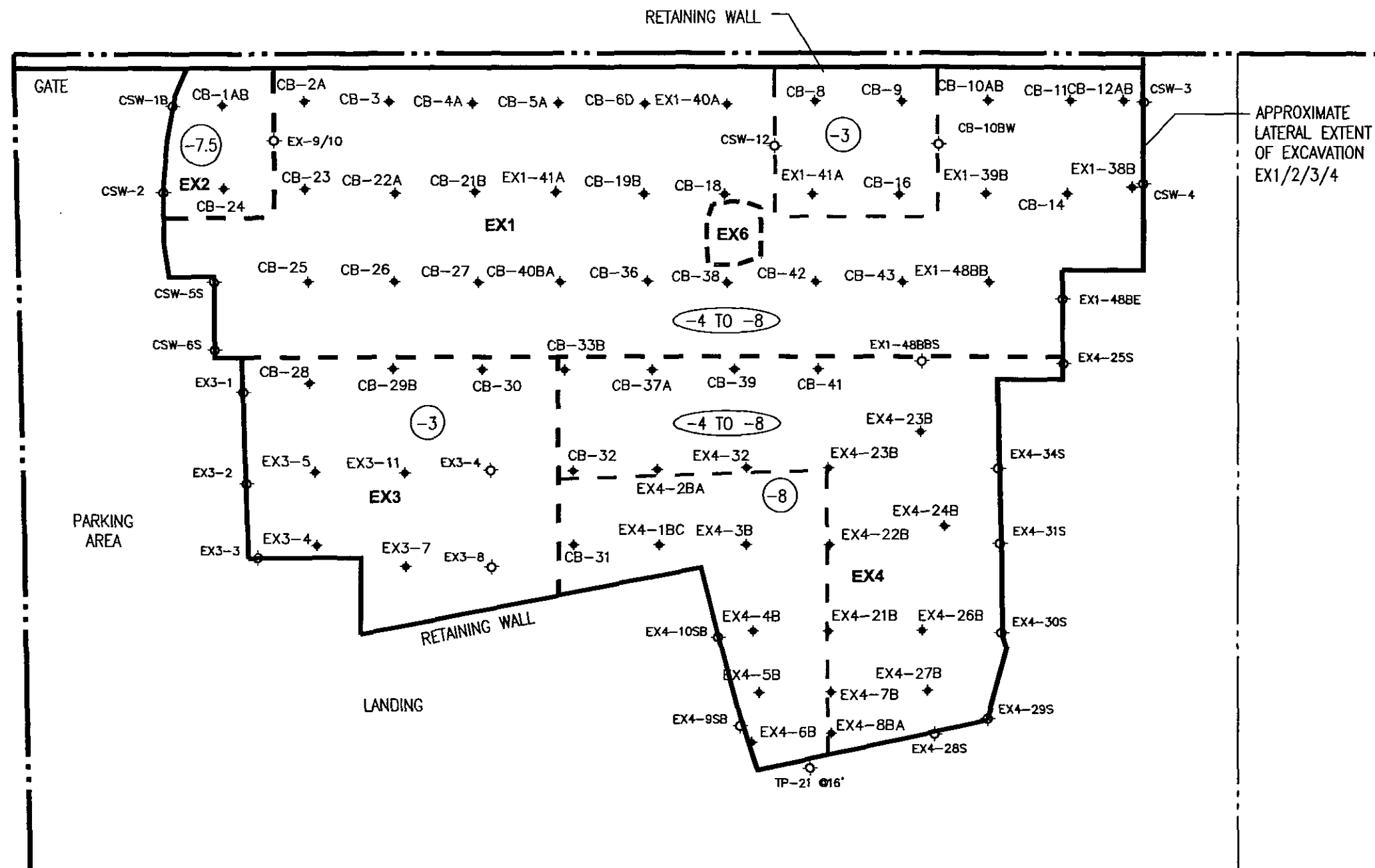


LEGEND

- TEST PIT LOCATION MAP
- FORMER RETAINING WALL

NOTE:

LOCATIONS & DIMENSIONS OF SITE FEATURES (BLDGs, RETAINING WALLS) ARE APPROXIMATE

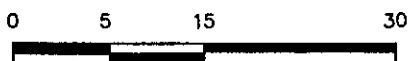
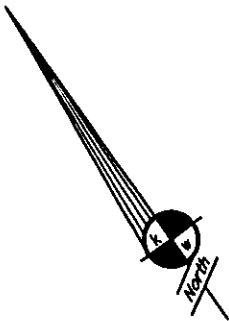
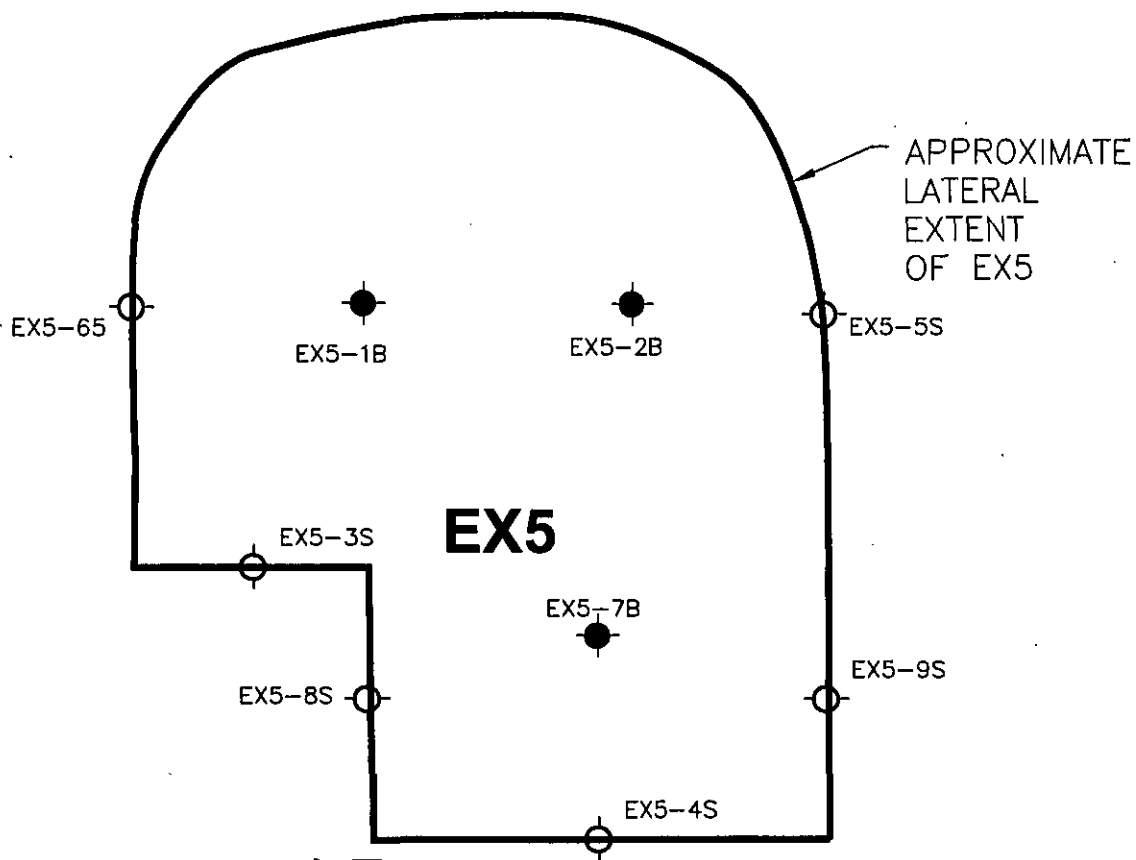


LEGEND

- ◆ CONFIRMATION BOTTOM SAMPLES
- ⊙ CONFIRMATION SIDEWALL SAMPLES
- (-8) DEPTH FROM GRADE OF EXCAVATION
- (-4 TO -8) DEPTH RANGE FROM ORIGINAL GRADE OF EXCAVATION
- CHANGES IN ELEVATION WITHIN THE EXCAVATION
- EXCAVATION BORDERS

NOTE:

LOCATIONS & DIMENSIONS OF SITE FEATURES (BLDGS, RETAINING WALLS) ARE APPROXIMATE



Scale 1" = 15'

LEGEND

- ◆ BOTTOM SAMPLE LOCATION AND IDENTIFICATION
- SIDEWALL SAMPLE LOCATION AND IDENTIFICATION

NOTE:

LOCATIONS & DIMENSIONS OF SITE FEATURES (BLDGs, RETAINING WALLS) ARE APPROXIMATE
EXCAVATION SLOPES FROM 8 FEET BELOW ORIGINAL GRADE IN THE NORTH TO 3 FEET BELOW ORIGINAL GRADE IN THE SOUTH



THE SOURCE GROUP, INC.

**MALCOLM PROPERTIES
200 OYSTER POINT BOULEVARD
SAN FRANCISCO, CALIFORNIA**

PROJECT NO.
01-MPI-001

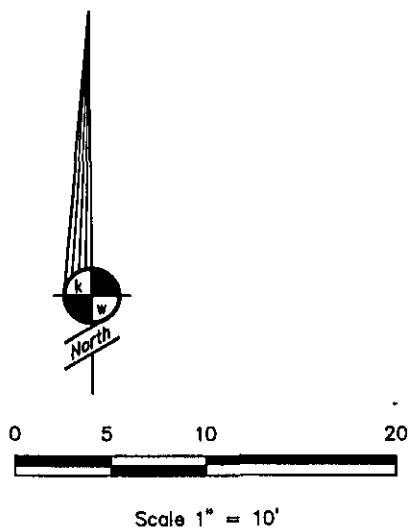
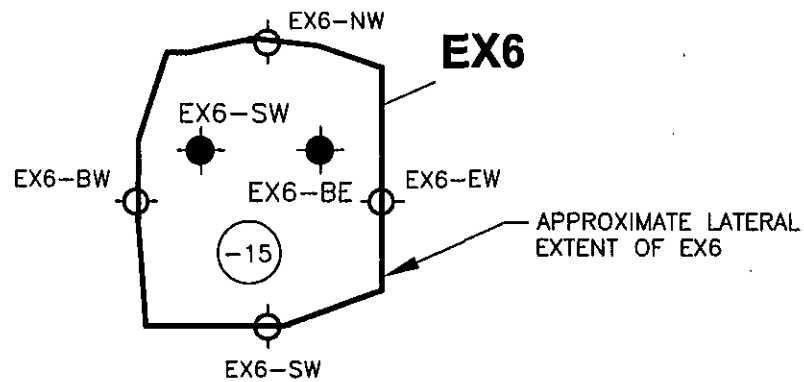
DATE
4/26/05

DR. BY
KT

APP. BY
KR

FIGURE 8

**LATERAL EXTENT OF
EXCAVATION EX5 WITH
CONFIRMATION SAMPLE
LOCATIONS**



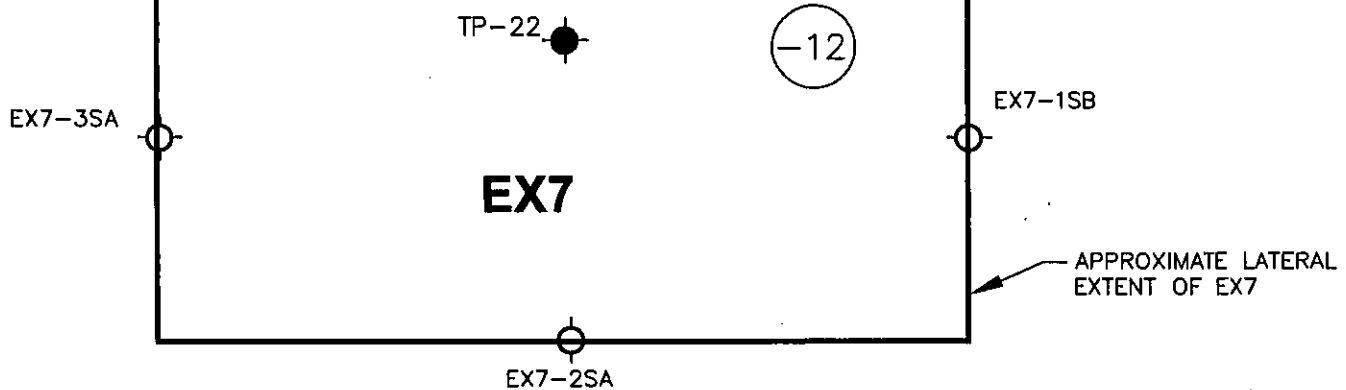
LEGEND

- BOTTOM SAMPLE LOCATION AND IDENTIFICATION
- ⊗ SIDEWALL SAMPLE LOCATION AND IDENTIFICATION
- 15 DEPTH OF EXCAVATION FROM ORIGINAL GRADE




NOTE:

LOCATIONS & DIMENSIONS OF SITE FEATURES (BLDGs, RETAINING WALLS) ARE APPROXIMATE

RETAINING WALL



LEGEND

-  BOTTOM SAMPLE LOCATION AND IDENTIFICATION
-  SIDEWALL SAMPLE LOCATION AND IDENTIFICATION
-  **-12** DEPTH OF EXCAVATION FROM ORIGINAL GRADE

NOTE:

LOCATIONS & DIMENSIONS OF SITE FEATURES
(BLDGs, RETAINING WALLS) ARE APPROXIMATE

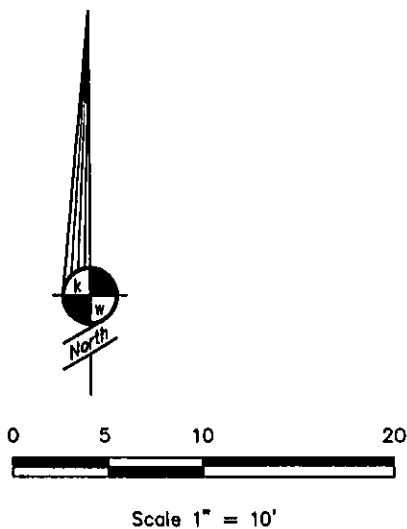


FIGURE 10

**LATERAL EXTENT OF
EXCAVATION EX7 WITH
CONFIRMATION SAMPLE
LOCATIONS**

TABLES

TABLE 1
SOIL ANALYTICAL RESULTS FOR TEST PITS
200 OYSTER POINT BLVD,
SOUTH SAN FRANCISCO, CALIFORNIA

Sample ID	Depth from Grade (Feet)	Corresponding Excavation	Date Collected	Barium (mg/Kg)	Lead (mg/Kg)
Fill@ 1'	1	EX5	12/15/2004	1900	44
Fill@ 3'	3	EX5	12/15/2004	200	9.2
EX1-38A	2	EX1	12/15/2004	1100	200
EX1-38B	4	EX1	12/15/2004	190	11
EX1-38C	6	EX1	12/15/2004	54	3.8
EX1-39A	2	EX1	12/15/2004	880	92
EX1-39B	4	EX1	12/15/2004	150	4.1
EX1-39C	6	EX1	12/15/2004	43	3.3
EX1-40A	2	EX1	12/15/2004	160	3.1
EX1-40B	5	EX1	12/15/2004	47	3.2
EX1-41A	4	EX1	12/15/2004	140	4.2
EX1-41B	7.5	EX1	12/15/2004	70	3.3
EX-43A	2	EX1	12/15/2004	770	4.2
EX1-43B	6	EX1	12/15/2004	410	3.5
TP-1A	2	EX1	12/17/2004	6700	230
TP-1B	4	EX1	12/17/2004	3200	560
TP-1C	6	EX1	12/17/2004	1300	4.5
TP-1D	7	EX1	1/20/2005	850	3.4
TP-2A	2	EX1	12/17/2004	5100	200
TP-2B	4	EX1	12/17/2004	1500	1900
TP-2C	6	EX1	12/17/2004	1700	5.3
TP-2D	7	EX1	1/18/2005	1900	5.7
TP-3A	2	EX1	12/17/2004	5800	160
TP-3B	4	EX1	12/17/2004	1600	25
TP-3C	6	EX1	12/17/2004	2500	5.5
TP-3D	7	EX1	1/18/2005	580	3.8
TP-4A	2	EX1	12/17/2004	1900	48
TP-4B	4	EX1	12/17/2004	910	6.2
TP-4C	6	EX1	12/17/2004	190	3.3
TP-5A	2	EX1	12/17/2004	810	3.8
TP-5B	4	EX1	12/17/2004	740	26
TP-5C	6	EX1	12/17/2004	110	5.3
TP-6A	2	EX1	1/18/2005	48	59
TP-6B	4	EX1	1/18/2005	160	6.5
TP-6C	6	EX1	1/18/2005	96	6.6
TP-7	0.5	NE	1/20/2005	940	62
TP-8A	2	EX4	1/20/2005	6100	220
TP-8B	4	EX4	1/20/2005	1900	380
TP-8C	6	EX4	1/20/2005	2500	2.1
TP-9A	2	NE	1/20/2005	910	6.1
TP-9B	5	NE	1/20/2005	64	2.9
TP-10A	2	NE	1/20/2005	50	5.6
TP-10B	4	NE	1/20/2005	590	11
TP-10C	6	NE	1/20/2005	190	4.5
TP-11	0.5	NE	1/20/2005	92	180

TABLE 1
SOIL ANALYTICAL RESULTS FOR TEST PITS
200 OYSTER POINT BLVD,
SOUTH SAN FRANCISCO, CALIFORNIA

Sample ID	Depth from Grade (Feet)	Corresponding Excavation	Date Collected	Barium (mg/Kg)	Lead (mg/Kg)
TP-12A	1	EX4	2/17/2005	2100	57
TP-12B	4	EX4	2/17/2005	1100	NR
TP-15A	1	EX4	2/17/2005	3300	140
TP-15B	3	EX4	2/17/2005	88	NR
TP-17A	1	EX4	2/17/2005	930	NR
TP-17B	3	EX4	2/17/2005	82	NR
TP-18A	1	EX4	2/17/2005	7000	470
TP-18B	3	EX4	2/17/2005	84	NR
TP-19A	1	EX4	2/17/2005	2400	29
TP-19B	3	EX4	2/17/2005	98	NR
TP-21	2	EX4	3/21/2005	140	NR
TP-21	8	EX4	3/21/2005	120	NR
TP-21	16	EX4	3/21/2005	45	NR
TP-22	2	EX7	3/21/2005	130	NR
TP-22	6	EX7	3/21/2005	3700	NR
TP-22	12	EX7	3/21/2005	100	NR
TP-23	1	NE	3/21/2005	200	NR
TP-23	4	NE	3/21/2005	54	NR

Legend:

mg/Kg = milligrams per Kilogram

NR = Not Reported

NE = No samples in this test pit exceed 1500 mg/kg barium, therefore sample was not excavated

TABLE 2
SOIL ANALYTICAL RESULTS FOR
CONFIRMATION SAMPLES - EX1/2/3/4
200 OYSTER POINT BLVD
SOUTH SAN FRANCISCO, CALIFORNIA

Sample ID	Date Collected	Corresponding Excavation	Barium (mg/Kg)
BOTTOM SAMPLES			
CB-1AB	2/8/2005	EX2	58
CB-2A	2/23/2005	EX2	1400
CB-3	1/31/2005	EX1	1000
CB-4A	2/23/2005	EX1	100
CB-5A	2/23/2005	EX1	70
CB-6D	3/14/2005	EX1	66
EX1-40A	12/15/2004	EX1	410
CB-8	1/31/2005	EX1	560
CB-9	1/31/2005	EX1	1400
CB-10AB	2/8/2005	EX1	250
CB-11	1/31/2005	EX1	770
CB-12AB	2/8/2005	EX1	94
EX1-38B	12/15/2004	EX1	190
CB-14	1/31/2005	EX1	210
EX1-39B	12/15/2004	EX1	150
CB-16	1/31/2005	EX1	1200
EX1-40B	12/15/2004	EX1	47
CB-18	1/31/2005	EX1	1200
CB-19B	3/3/2005	EX1	1200
EX1-41A	12/15/2004	EX1	140
CB-21B	3/3/2005	EX1	78
CB-22A	2/23/2005	EX1	110
CB-23	1/31/2005	EX1	1300
CB-24	1/31/2005	EX1	100
CB-25	2/17/2005	EX1	190
CB-26	2/17/2005	EX1	930
CB-27	2/17/2005	EX1	120
CB-28	2/17/2005	EX3	1400
CB-29B	3/10/2005	EX3	790
CB-30	2/17/2005	EX3	720
CB-31	3/8/2005	EX4	450
TP-12B	2/17/2005	EX4	1100
CB-33B	3/14/2005	EX4	280
CB-36	3/3/2005	EX1	380
CB-37A	3/10/2005	EX4	1000
CB-38	3/3/2005	EX1	490
CB-39	3/3/2005	EX4	1100
CB-40BA	3/17/2005	EX1	56
CB-41	3/10/2005	EX4	130
CB-42	3/10/2005	EX1	120
CB-43	3/10/2005	EX1	330
CB-44	3/10/2005	EX1	670
EX4-1BC	3/15/2005	EX4	1500
EX4-2BA	3/3/2005	EX4	1400

TABLE 2
SOIL ANALYTICAL RESULTS FOR
CONFIRMATION SAMPLES - EX1/2/3/4
200 OYSTER POINT BLVD
SOUTH SAN FRANCISCO, CALIFORNIA

Sample ID	Date Collected	Corresponding Excavation	Barium (mg/Kg)
EX4-3B	3/8/2005	EX4	77
EX4-4B	3/8/2005	EX4	800
EX4-5B	3/8/2005	EX4	540
EX4-7B	2/8/2005	EX4	1100
EX4-8BA	3/3/2005	EX4	420
EX4-21B	3/8/2005	EX4	480
EX4-22B	3/3/2005	EX4	470
EX4-23B	3/3/2005	EX4	510
EX4-24B	3/3/2005	EX4	83
EX4-26B	3/8/2005	EX4	44
EX4-27B	3/8/2005	EX4	710
EX4-32B	3/8/2005	EX4	38
EX1-48BB	2/8/2005	EX1	85
EX3-5	11/18/2004	EX3	36
EX3-8	11/18/2004	EX3	1400
EX3-9	11/18/2004	EX3	490
EX3-11	11/18/2004	EX3	1200
EX3-14	12/3/2004	EX3	380
SIDEWALL SAMPLES:			
CSW-1B	3/15/2005	EX2	150
CSW-2	1/31/2005	EX2	110
CSW-3	1/31/2005	EX1	700
CSW-4	1/31/2005	EX1	1300
CSW-5S	3/15/2005	EX1	190
CSW-6S	3/15/2005	EX1	140
CSW-12	3/3/2005	EX1	770
CB-10BS	2/23/2005	EX1	34
CB10-BW	2/23/2005	EX1	130
EX1-48BE	2/8/2005	EX1	1500
EX2-9	12/15/2004	EX2	390
EX3-2	11/18/2004	EX3	960
EX3-3	11/18/2004	EX3	87
EX3-4	11/18/2004	EX3	63
EX4-9SB	3/8/2005	EX4	990
EX4-10SB	3/8/2005	EX4	1100
EX4-25S	3/3/2005	EX4	460
EX4-28S	3/8/2005	EX4	510
EX4-29S	3/8/2005	EX4	290
EX4-30S	3/8/2005	EX4	440
EX4-31S	3/8/2005	EX4	400
EX4-34S	3/8/2005	EX4	82
TP-21 @16	3/17/2005	EX4	45

Legend:

mg/Kg = milligrams per kilogram

TABLE 3
SOIL ANALYTICAL RESULTS FOR
CONFIRMATION SAMPLES - EX5
200 OYSTER POINT BLVD
SOUTH SAN FRANCISCO, CALIFORNIA

Sample ID	Date Collected	Barium (mg/Kg)
BOTTOM SAMPLES		
EX5-1BA	3/10/2005	420
EX5-2BA	3/10/2005	790
EX5-7B	3/14/2005	100
SIDEWALL SAMPLES		
EX5-3SA (35A)	3/14/2005	520
EX5-4SB (45B)	3/16/2005	110
EX5-5S	3/10/2005	260
EX5-6S	3/10/2005	140
EX5-8S	3/14/2005	620
EX5-9S	3/14/2005	120

Legend:

mg/Kg = milligrams per kilogram

TABLE 4
SOIL ANALYTICAL RESULTS FOR
CONFIRMATION SAMPLES - EX7
200 OYSTER POINT BLVD
SOUTH SAN FRANCISCO, CALIFORNIA

Sample ID	Date Collected	Barium (mg/Kg)
BOTTOM SAMPLES		
TP-22 @ 12'	3/21/2005	100
SIDEWALL SAMPLES		
EX7-1SB	3/29/2005	58
EX7-2SA	3/28/2005	64
EX7-3SA	3/28/2005	390

Legend:

mg/Kg = milligrams per kilogram

TABLE 5
SOIL ANALYTICAL RESULTS
FOR STOCKPILES - METALS
200 OYSTER POINT BOULEVARD
SOUTH SAN FRANCISCO, CALIFORNIA

Sample ID	Sampling Date	Originating Excavation(s)	Sb	As		Ba			Be	Cd	Cr			Co	Cu	Pb			Hg		Mo	Ni	Se	Ag	Tl	V		Zn	
			Total	Total	WET	Total	WET	TCLP	Total	Total	Total	WET	TCLP	Total	Total	Total	WET	TCLP	Total	WET	Total	Total	Total	Total	Total	Total	Total	WET	Total
SP1-A-D	11/18/2004	EX1 and EX2	<5	9.5	0.28	5,000	24	1.2	<1	<1	110	1.4	<0.1	22	110	130	11	<0.25	0.058	<0.001	<1	61	9.9	<1	<1	46	0.67	150	
SP1-E-H	11/18/2004	EX1 and EX2	<5	<5	<0.25	5,800	27	0.78	<1	<1	61	0.9	<0.1	31	41	160	9.5	<1	<0.05	<0.001	<1	32	<1	<1	<1	43	0.34	150	
SP2-A-D	11/19/2004	EX1 and EX2	<5	<5	0.31	1,600	22	NR	<1	<1	49	0.48	NR	12	30	39	2.4	NR	0.16	<0.001	<1	28	<1	<1	<1	44	0.63	81	
SP3-A-D	12/17/2004	EX1	<20	<10	<2	6,800	21	NR	<10	<10	220	<2	NR	<10	140	280	<2	NR	<0.1	NR	11	62	<10	<10	<10	24	<2	120	
SP3-E-H	12/17/2004	EX1	<20	<10	<2	7,200	17	NR	<10	<10	220	<2	NR	<10	160	140	12	NR	<0.1	NR	11	64	<10	<10	<10	15	<2	140	
SP4-A-D	2/8/2005	EX4	<20	<10	NR	6,800	NR	NR	<10	<10	220	NR	NR	<10	140	280	NR	NR	NR	NR	11	62	<10	<10	<10	24	NR	120	
SP4-E-H	2/8/2005	EX4	<20	<10	NR	7,200	NR	NR	<10	<10	220	NR	NR	<10	160	140	NR	NR	NR	NR	11	64	<10	<10	<10	15	NR	140	
Regulatory Criteria																													
TTLc			500	500	10,000			75	100	2,500			8,000	2,500	1,000			20	3,500	200	100	500	700	2,400		5,000			
STLC			15	5	100			0.75	1	5			80	25	5			0.2	350	20	1	5	7	24		250			
TCLP			NA	5	100			NA	1	5			NA	NA	5			0.2	NA	NA	1	5	NA	NA		NA			

Notes:

Sb = Antimony; As = Arsenic; Ba = Barium; Be = Beryllium; Cd = Cadmium; Cr = Chromium; Co = Cobalt; Cu = Copper
Pb = Lead; Hg = Mercury; Mo = Molybdenum; Ni = Nickel; Se = Selenium; Ag = Silver; Tl = Thallium; V = Vanadium; Zn = Zinc
mg/Kg = milligrams per kilogram - parts per million (ppm)
mg/L = milligrams per liter
NR = Not Reported
NA = Not applicable
<5 = Not detected at or above the laboratory reporting limit of 5 mg/kg
TTLc = Total Threshold Limit Concentration - State of California Hazardous Waste Criteria
STLC = Soluble Threshold Limit Concentration - State of California Hazardous Waste Criteria
TCLP = Toxicity Characteristic Leaching Procedure
WET = Waste Extraction Test
"Total" concentrations reported in milligrams per kilograms (mg/Kg)
"Wet" and "TCLP" concentrations reported in milligrams per liter (mg/L)

Malcolm Properties, Inc.

92 Natoma Street, Suite 300
San Francisco, Ca 94105
Tel (415) 240-6453 Fax (415) 543-3560

LETTER OF TRANSMITTAL



SAN MATEO COUNTY
ENVIRONMENTAL HEALTH

OCT 11 2005

RECEIVED

TO: Charles Ice

DATE 10-5-05

JOB NO. 200 OYSTER POINT

WE ARE SENDING YOU: ☒ Attached ☐ Under Separate Cover via _____ the following

- ☐ Drawings ☐ Specifications ☐ Samples ☒ Letter
☐ Other _____

Quantity	Date	Description
27 p	—	Covenant to Restrict Use of Property Conformed Copy

Transmitted as checked below:

- ☐ For approval ☐ Approved as noted ☐ Resubmit _____ copies for approval
☒ For your use ☐ approved as submitted ☐ submit _____ copies for distribution
☒ As requested ☐ Returned for corrections ☐ return _____ corrected copies
☐ For review ☐ Other _____

Remarks: Conformed copy

Copy to:

File

Signed:

[Signature]

SAN MATEO COUNTY
ENVIRONMENTAL HEALTH

OCT 11 2005

RECEIVED

2005-158116

02:06pm 09/12/05 DR Fee: 85.00

Count of pages 27

Recorded in Official Records

County of San Mateo

Warren Slocum

Assessor-County Clerk-Recorder



Recording Requested by:

County of San Mateo Health Services Agency
Environmental Health Services Division

When Recorded, Mail to: ,

Malcolm Building, LLC
92 Natoma Street, Suite 400
San Francisco, California 94105
Attn: Mr. Doug Cefali

COVENANT TO RESTRICT USE OF PROPERTY

[ENVIRONMENTAL RESTRICTION]

200 Oyster Point Boulevard

South San Francisco, California

Site APN: 015-023-380 Parcel A

The Covenant and Agreement ("Covenant") is made on the 4th day of May, 2005, by Malcolm Properties, Inc., a California corporation. ("Covenantor"), which is the owner of record of that certain property situated in South San Francisco, County of San Mateo, State of California, described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"), and by the San Mateo County Environmental Health Services Division (the "Department"). Covenantor and the Department (collectively referred to as the "Parties") desire and intend that in order to protect the present and future public health and safety, the Property shall be used in such a manner as to avoid potential harm to persons or property which may result from hazardous substances which may have been deposited on the Property.

**ARTICLE I
STATEMENT OF FACTS**

1.01 Description of Contamination. The Property was from time to time occupied by various industrial concerns. Chemicals, including total petroleum hydrocarbons quantified in the diesel range and the motor oil range, and barium, have been detected in the soil in and under portions of the site. A Remedial Action Report dated May 4, 2005, which particularly describes the condition of the soil at the subject site, and the investigative methods employed to determine this condition, is attached hereto as Exhibit "B." As stated in that Report, hydrocarbon-affected soil was removed by excavation and offsite disposal at an approved landfill. Barium-affected soil was

removed by excavation and offsite disposal at an approved landfill; confirmatory sampling results indicate that the barium concentration in the remaining soils on site does not exceed 1500 parts per million. No further remediation is required.

1.02 Health Effects. The risk, if any, of public exposure to the contaminants has been minimized by the remediation described in Section 1.01. The Department has indicated its belief that the shallow-soil urban commercial/industrial land use ecotoxicity environmental screening level for barium of 1500 mg/kg is appropriate for this site.

1.03 Surrounding Land Use. The Property is located in the City of South San Francisco. It is located in an industrial area that consists predominantly of low- to mid-rise buildings and landscaped areas.

1.04 Finding. Pursuant to California Civil Code Section 1471(c), the Department has determined that this Covenant is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence on the land of hazardous materials as defined in Health & Safety Code Section 25260.

ARTICLE II GENERAL PROVISIONS

2.01 Provisions to Run with the Land. This Covenant sets forth protective provisions, covenants, restrictions, and conditions (collectively referred to as "Restrictions"), upon and subject to which the Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed for residential uses or daycare facilities. Each and all of the Restrictions shall run with the land, and pass with each and every portion of the Property, and shall apply to and bind the respective successors in interest of Covenantor. Each and all of the Restrictions are imposed upon the entire Property unless expressly stated as applicable to a specific portion of the Property. Each and all of the Restrictions are for the benefit of and enforceable by the Department and are imposed pursuant to, and run with the land pursuant to, Health and Safety Code Section 25222.1 and Civil Code Section 1471, and are subject to the variance and removal procedures spelled out in paragraphs 5.01 and 5.02 of this Covenant.

2.02 Concurrence of Owners Presumed. All future purchasers, lessees, or possessors of any portion of the Property who acquire their interest from or through Covenantor shall be deemed by their purchase, leasing, or possession of such Property to be in accord with the foregoing and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such heirs, successors, and assignees that their interest in the Property shall be subject to the Restrictions contained herein.

ARTICLE III DEFINITIONS

3.01 Department. "Department" shall mean the San Mateo County Environmental Health Services Division and shall include its successor agencies, if any.

3.02 Improvements. "Improvements" shall mean all buildings, roads, driveways, regrading, and paved parking areas, constructed or placed upon any portion of the Property.

3.03 Occupant(s). "Occupant(s)" shall mean those persons entitled by ownership, leasehold, or other legal relationship to the right to occupy any portion of the Property.

3.04 Owner. "Owner" shall mean the Covenantor or its successors in interest, including heirs and assigns, who hold title to all or any portion of the ownership interest to all or any portion of the Property. A future lessee who subleases all or any portion of the Property is an "Owner" in its capacity as sublessor.

ARTICLE IV DEVELOPMENT, USE, AND CONVEYANCE OF THE PROPERTY

4.01 Restrictions on Development and Use. Covenantor promises to restrict the use of the Property as follows:

- a. No residential use or day-care use shall be permitted on the Property.
- b. No raising of food (cattle, food crops, cotton) shall be permitted on the Property.
- c. No drilling for drinking water, oil or gas shall be permitted on the Property without prior authorization from the Department.
- d. No uses or development of the Property shall disturb the soil without the prior approval of the Department, which approval shall not be unreasonably withheld.
- e. No activities which will disturb the soil (e.g., excavation, grading, removal, trenching, filling, earth movement, or mining) shall be permitted without a Soil Management Plan and a Health and Safety Plan submitted to the Department for review and approval. Notwithstanding the foregoing, Covenantor may perform routine landscaping and maintenance of improvements thereon.

4.02 Access for the Department. The Department or its designated agents (including successor agencies) shall upon reasonable notice, no less than forty-eight (48) business hours, have access to the property for the purpose of inspection, surveillance, or monitoring, or other purpose necessary to protect public health or safety and the environment as provided in Chapters 6.5 and 6.8 of the California Health and Safety Code and Chapter 4 of Division 7 of the Water Code.

4.03 Enforcement. Failure of an Owner or an Occupant to comply with any of the restrictions set forth in Section 4.01 shall be grounds for the Department, by reason of the Covenant, to require that such Owner or Occupant modify or remove any improvements constructed in violation of Section 4.01 and to initiate such civil or criminal action as may, notwithstanding this covenant, be within the jurisdiction of the Department to initiate. Violation of the Covenant shall be grounds for the Department to file civil and criminal actions against the violating Owner(s) or Occupant(s) as provided by law. This Covenant shall not create any private right of action against Covenantor or any other Owner or Occupant of the Property or any portion thereof; nor shall this Covenant by its own terms create an obligation by Covenantor to police or enforce the performance of others hereunder.

4.04 Notice in Agreements. Any transferring Owner or Occupant shall execute a written instrument, which shall accompany the purchase, lease, sublease, rental agreements, or similar conveyance document(s) relating to the Property. The instrument shall contain the following statement: "The land described herein has been remedied in accordance with Chapter 6.8 of Division 20 of the Health and Safety Code. The San Mateo County Environmental Health Services Division has determined that the cleanup level accomplished by the remediation is protective of public health and the environment as long as the conditions of the approved Remedial Action Plan for the Property, including the use restrictions imposed by the recorded Covenant and Agreement for Environmental Restrictions for the Property, a copy of which is attached hereto and incorporated herein by reference, are complied with. Because hazardous substances remain within the soil of the Property such conditions render the Property and the Owner(s), lessee(s), or other Occupant(s) of the Property subject to the applicable provisions of Chapters 6.5 and 6.8 of Division 20 of the Health and Safety Code. This statement is not a declaration that a hazard exists."

ARTICLE V VARIANCE AND TERMINATION

5.01 Variance. Any Owner(s) or, with the Owner's written consent, any Occupant of the Property or any portion thereof may apply to the Department for a written variance, based upon further environmental evaluation and/or remediation from the provisions of this Covenant. Such application shall be made in accordance with Health & Safety Code section 25233.

5.02 Termination. Any Owner(s) or, with the Owner's written consent, any Occupant of the Property or a portion thereof may apply to the Department for a termination of the Restrictions as they apply to all or any portion of the Property. Such application shall be made in accordance with Health & Safety Code section 25234.

5.03 Term. Unless modified or terminated in accordance with Sections 2.01, 5.01 or 5.02 above, by law or otherwise, this Covenant shall continue in effect in perpetuity. When this Covenant is terminated all terms and requirements herein, including Article IV, shall terminate.

ARTICLE VI MISCELLANEOUS

6.01 No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property or any portion thereof to the general public or for any purposes whatsoever.

6.02 Notices. Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (1) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served or official of a government agency being served, or (2) three [3] business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested:

To "Covenantor"

Malcolm Building, LLC
92 Natoma Street
San Francisco, California 94105
Attn: Mr. Doug Cefali

To "Department"

County of San Mateo Health Services Agency
Environmental Health Services Division
455 County Center, 4th Floor
Redwood City, CA 94063

6.03 Partial Invalidity. If any portion of the Restrictions or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

6.04 Article Headings. Headings at the beginning of each numbered articles of this Covenant are solely for the convenience of the parties and are not a part of the Covenant.

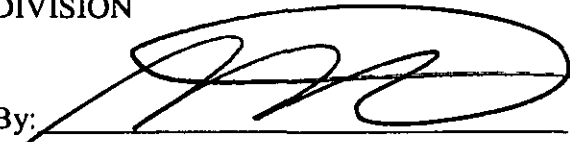
6.05 Recordation. This instrument shall be executed by the Covenantor and the Department and shall be submitted for recording by the Covenantor to the County of San Mateo within ten (10) days of Covenantor's receipt of a fully executed and acknowledged original of this instrument.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth above.

COUNTY OF SAN MATEO HEALTH
SERVICES AGENCY
ENVIRONMENTAL HEALTH SERVICES
DIVISION

Dated: Aug 4, 2005.


By:


Dean Peterson, Agent

MALCOLM PROPERTIES, INC.

Dated: May 5, 2005.

By:


John M. Malcolm

STATE OF California

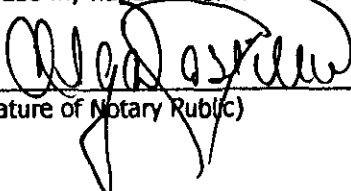
COUNTY OF San Mateo

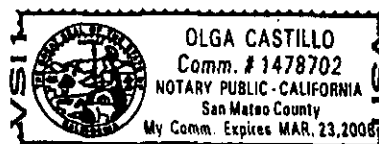
On August 4th, 2005 before me, Olga Castillo
(Name of Notary Public)

personally appeared Dean Peterson

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.


(Signature of Notary Public)



(This area for notarial seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of SAN FRANCISCO

SS.

On JUNE 16, 2005 before me, DEREK YAMASHITA, Notary Public

personally appeared JOHN M. MALCOLM

Name(s) of Signer(s)

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Derek Yamashita
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: COVENANT TO RESTRICT USE OF PROPERTY

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: JOHN M. MALCOLM

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: MALCOLM PROPERTIES, INC.

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SOUTH SAN FRANCISCO, COUNTY OF SAN MATEO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

Parcel A, as delineated upon that certain Map entitled "Parcel Map 04-0031, South San Francisco, County of San Mateo, State of California", filed for record in the office of the Recorder of the County of San Mateo, State of California, on April 14, 2005 in Book 76 of Parcel Maps, pages 16 and 17.

PARCEL TWO:

A non-exclusive easement for ingress and egress set out as follows:

All that certain real property situate in the City of South San Francisco, County of San Mateo, State of California being a portion of Parcel 2, as said Parcel is shown on that certain Parcel Map entitled, "Parcel Map", filed for record on April 30th, 1971 in Book 12 of Parcel Maps, at page 29, in the Office of the Recorder for the County of San Mateo, State of California, and being more particularly described as follows:

Beginning at the Northeasterly corner of said Parcel 2; thence along the Easterly line of said Parcel 2, South 3° 48' 30" East, a distance of 204.98 feet; thence leaving said Easterly line of said Parcel 2, South 86° 13' 20" West, a distance of 15.67 feet; thence North 2° 55' 31" West, a distance of 185.55 feet to the beginning of a tangent curve to the left having a radius of 20.00 feet; thence along said curve through a central angle of 79° 03' 14", an arc length of 27.60 feet to a point on the Northerly line of said Parcel 2; thence along said Northerly line 87° 04' 00" East, a distance of 28.71 feet to the point of beginning.

PARCEL THREE:

A non-exclusive easement for ingress and egress over so much of Parcel B as delineated upon that certain Map entitled, "Parcel Map 04-0031, South San Francisco, County of San Mateo, State of California", filed for record in the office of the Recorder of the County of San Mateo, State of California, on April 14, 2005 in Book 76 of Parcel Maps, at pages 16 and 17.

Set out as ingress and egress easement for the benefit of Parcel A

APN: 015-023-380

RECEIVED

MAY 09 2005

EXHIBIT "B"

BY: DOUGLAS J. CEFALI

REMEDIAL ACTION REPORT

**Malcolm Drilling Property
200 Oyster Point Boulevard
South San Francisco, California**

01-MPI-001

Prepared For:

Malcolm Properties LLC
92 Natoma Street, Suite 400
San Francisco, California

Prepared By:



3451-C Vincent Road
Pleasant Hill, California 94523

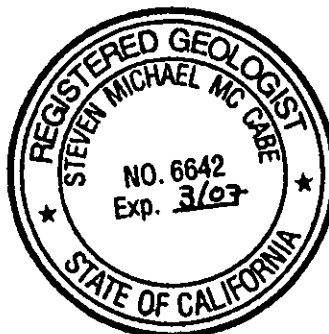
May 4, 2005

Prepared By:

Kristene Tidwell
Senior Staff Geologist

Reviewed By:

Kent R. Reynolds
Principal Geologist



Steven M. McCabe, R.G.
Senior Hydrogeologist

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1.0 INTRODUCTION

This report presents the results of soil remediation activities conducted on behalf of Malcolm Properties, Inc. (Malcolm), by The Source Group, Inc. (SGI) at the Malcolm Drilling Company property located at 200 Oyster Point Boulevard, South San Francisco, California (Site). Remediation activities were conducted in response to San Mateo County Health Services Agency Groundwater Protection Program's (GPP) request to remediate elevated concentrations of barium in soil.

1.1 Background

The 3.5-acre property is located approximately 0.2 miles southeast of Highway 101 and 0.2 miles west of San Francisco Bay (Figure 1). Currently, the Site is vacant with the exception of a small two-story office building located in the southwest corner of the property. The majority of the property was previously covered with asphalt, concrete parking and storage areas, and concrete floor slabs, foundations, and retaining walls associated with the former buildings (Figure 2).

The Site was purchased by Malcolm Drilling in 1979 and was used by Malcolm Drilling until 2002. Available records from the South San Francisco Library suggest that during the early 1900s the Site was occupied by the American Barium Company. Malcolm Drilling used the property mainly for administration, estimating, and accounting purposes. The property was also used for storage of equipment and limited equipment repair.

The Site is bounded by Eccles Avenue to the east, the former Blue Line Solid Waste Transfer Station to the west, Oyster Point Boulevard and the Bay West Cove development to the north, and a Federal Express Building and parking lot to the south.

1.2 Geologic and Hydrogeologic Setting

The Site is located on the southeast side of San Bruno Mountain, on the west side of San Francisco Bay. A review of historic topographic and geologic maps indicates that the Site located on a topographic rise protruding into San Francisco Bay. The surrounding area is characterized as Franciscan Complex Formation: Cretaceous and Jurassic sandstone with minor shale, chert, limestone, and conglomerate. The area of open bay surrounding the topographic rise was filled in the early 1900s, creating additional land.

An inlet of the San Francisco Bay is located approximately 1,500 feet northwest of the Site. Groundwater is locally encountered at depths ranging from 17 to 37 feet below ground surface (bgs). The groundwater gradient is estimated to be to the north-northwest towards San Francisco Bay.

1.3 Previous Site Investigations

Treadwell & Rollo submitted an *Environmental Site Characterization Report* to GPP on March 20, 2003 (Treadwell & Rollo, 2003). The report documented the collection, lab analysis, and evaluation of soil and groundwater samples from 17 soil borings (Figure 3). The purpose of the Site Investigation was to assess the presence of petroleum hydrocarbons, heavy metals, volatile organic compounds (VOCs), and semivolatile organic compounds (SVOCs). Analytical results indicated low concentrations of total petroleum hydrocarbons as diesel (TPHd), as motor oil (TPHmo), VOCs, and SVOCs in the Site soil and groundwater. Slightly elevated concentrations of some metals were also identified. Analytical results were screened against the Total Threshold Limit Concentration (TTL) for the State of California Hazardous Waste Criteria.

On May 7, 2003, GPP responded to the report mentioned above by designating the Site open for investigation and potential remediation (GPP 2003a). According to the GPP, environmental screening levels [(ESLs), formerly risk-based screening levels (RBSLs)], as established by the California Regional Water Quality Control Board (CRWQCB) Region 2 (San Francisco Bay) are the appropriate screening criteria. Treadwell & Rollo had used TTLs for screening in the original investigation. GPP requested that Malcolm submit a work plan that would address the lateral and vertical extent of contamination in the soil and groundwater at the Site.

In the May 2003 letter, GPP indicated that a commercial deed restriction on the property could be used to obtain less stringent cleanup goals for the Site. The Source Group presented a comparison of Site soil and groundwater quality with the ESLs in a letter dated October 22, 2003 (SGI 2003a). GPP responded with a letter dated October 29, 2003 (GPP 2003b), which again requested a work plan and also stated that the 95% Upper Confidence Limit (UCL) evaluation for chromium would normally be accepted by GPP as acceptable and below regulatory criteria for further investigation.

In December 2003, SGI submitted a letter to the GPP that included an evaluation regarding the adequacy of soil and groundwater assessment at the subject property (SGI 2003b). In addition, statistical analyses were performed to further assess the background (ambient) concentrations of chromium and barium in the Site soil. Background concentrations of chromium and barium were evaluated using the 95% upper confidence limit (UCL) of the average concentration, assuming a lognormal distribution. GPP acknowledged that the analysis was acceptable for chromium but not for barium.

Comparison of the Site soil data using the CRWQCB ESL's indicated that, with the exception of barium and chromium, none of the individual concentrations of petroleum hydrocarbons, VOCs, SVOCs, or other CAM 17 metals exceeded the ESL for the residential exposure scenario. The 95% UCL concentrations of barium (353.15 mg/kg) and chromium (51.27 mg/kg) in Site soil were below the CRWQCBs ESL for residential land use scenario (SGI 2003b).

Review of groundwater quality data indicated that all samples were below the CRWQCB ESLs for the residential land use scenario, for the respective parameters (i.e., petroleum hydrocarbons, VOCs, SVOCs, and metals). Based on these conclusions, Malcolm Properties requested that GPP "close the Site".

On December 16, 2003, GPP issued a letter to Malcolm requesting a work plan to "characterize the lateral and vertical extent of contamination in soil and groundwater (GPP 2003c)." Based on the results of the investigations and evaluations conducted to date, and in response to the GPP request, additional soil assessments were proposed to further evaluate the magnitude and extent of barium in onsite soil (SGI 2004a). Based on the results of previous groundwater sample data, no additional groundwater assessment was proposed. A Soil Investigation Work Plan was submitted to GPP on January 27, 2004. The Work Plan was approved by the GPP in a letter dated January 28, 2004 (GPP, 2004).

In April 2004, eight soil borings, SB-13 through SB-20, were advanced by Precision Sampling Inc. (PSI), Richmond, CA, at the locations depicted on Figure 3. Soil boring locations were chosen based on comments provided by GPP and to further evaluate the extent of barium in soil. A total of 47 soil samples, collected during previous and the April 2004 investigation, were analyzed for barium.

Soil data was compared to ESLs developed by the CRWQCB. The published Tier 1 ESL for barium is based on Urban Area Ecotoxicity Criteria in a commercial/industrial setting. The urban area ecotoxicity criteria provided in the ESL document were intended for the protection of terrestrial biota (primarily plant toxicity concerns in the case of barium) under various land use scenarios, including residential, agricultural, and parkland. The Site is currently zoned commercial/industrial and includes asphalt, pavement, streets, office buildings, parking lots, and no landscaping. Pavement, streets, and buildings border the unpaved portions of the Site. SGI concluded that it was very unlikely that these areas support any relevant terrestrial habitat. However, the GPP requested that in the absence of other supporting evidence that the urban area ecotoxicity ESL should be used for this Site (GPP 2004b). The barium ecotoxicity ESL for shallow soils with commercial/industrial land use is 1,500 mg/kg.

In September 2004, SGI submitted a Remedial Action Plan (RAP) to address elevated concentrations of barium in soil at the Site (SGI 2004b). The RAP proposed to implement the removal of barium-affected soil where the concentration exceeds the ecotoxicity ESL for shallow soils for commercial/industrial land use (1,500 mg/kg) and administrative controls for soil that exceeds the ecotoxicity ESL for shallow soils for residential land use (750 mg/kg). The industrial/commercial ESL for Barium of 1,500 mg/kg was used for guidance in the soil removal activities that were carried out at the Site. The RAP was subsequently approved by the GPP in September 2004 (GPP 2004C).

1.4 Scope of Work

The scope of work presented in the RAP included:

- Excavation of barium-affected soil;
- Soil sampling and analysis;
- Transportation and disposal of barium-affected soil;
- Regrading of the Site; and
- Preparation of this report.

2.0 FIELD ACTIVITIES AND RESULTS

Construction activities associated with excavation, stockpiling, loading trucks were performed by DJK Construction (DJK), a licensed and HAZWOPER certified contractor. SGI observed the excavation activities and was responsible for all sampling and analyses. A description of field activities is presented below.

2.1 Pre-Field Activities

Pre-field activities included the layout of the planned excavation, utility clearance, and health and safety.

All field activities were conducted in accordance with a Site Specific Health and Safety Plan (HASP) prepared in accordance with 29 Code of Federal Regulations (CFR) 1910.120 and California Code of Regulations (CCR) Title 8 Section 5192 "Hazardous Waste Site Operations and Emergency Response Rule (HAZWOPER)." The objective of the HASP is to provide safe working conditions at the Site during field activities conducted by consultants and subcontractors on behalf of Malcolm. The HASP was kept in a prominent location at the Site during field activities.

Prior to beginning field activities, a daily safety meeting was conducted to inform all contractors about the location of the HASP, the posted emergency numbers, hospital route maps, and potential physical and chemical hazards. SGI required that all field personnel review and sign the HASP.

2.2 Soil Excavation Activities

Soil excavation activities were initiated on November 17, 2004 and completed on March 29, 2005. Excavation activities were carried out using an excavator, loader, and dump truck operated by DJK. Approximately 7,900 cubic yards of soil were excavated during this time. The final dimensions of the Site excavations are presented Figure 4. Site photographs are included as Appendix A.

Excavation activities were initially carried out based on the results of the soil boring investigation conducted by SGI in April 2004 and the scope of work presented in the RAP. Soil was temporarily stockpiled onsite for subsequent sampling, profiling, and disposal. In December 2004, it became evident that the extent of soil containing barium at concentrations in excess of 1,500 mg/kg was greater than originally estimated due to its distribution being predominately heterogeneous within the fill material.

To better define the lateral and vertical extent of barium-affected soil, a series of test pits were excavated and soil samples were collected and analyzed to determine the volume of soil to be removed. Soil lithologic and chemical analyses data was used to identify additional areas to be excavated. In addition,

the chemical analyses were used to segregate the soil and profile the soil for proper disposal. Data from the test pits also made it possible to direct load soil into trucks for disposal. The locations of the test pits are shown on Figure 6.

Confirmation samples were collected following the completion of each "phase" of excavation to verify that the barium-affected soil had been removed in accordance with the RAP. Further lateral or vertical excavation and confirmation sampling was carried out until all confirmation soil samples met the cleanup level for barium specified in the RAP (1,500 mg/kg).

Soil excavation areas were identified as EX1, EX2, EX3, EX4, EX5, EX6, and EX7. EX2 consisted of a deeper portion of EX1. Excavations EX1, EX2, EX3, and EX4 were initially separate, but merged as excavation progressed. Figure 4 shows the approximate lateral extent of the merged excavation, including the approximate extent of Excavations EX1, EX2, EX3, and EX4. A description of excavation observations is presented below.

Soil encountered during excavation included fill and native soil. Fill material consisted dark brown or black clayey silt and sand which locally contained a significant amount of debris (concrete, bricks, metal filings, etc.) During excavation, several concrete footings and walls were encountered, primarily in the vicinity of EX4, the majority of which were removed. Other fill (soil) encountered included reddish brown or dark brown silt or clayey silt with little or no debris. The fill ranged from approximately 3 to 12 feet in thickness with the thickest sections occurring behind the retaining walls (EX1, EX5, and EX7)(Figure 4). Native soil consisting of pale yellow, clayey sand and sand was encountered underlying the fill in most excavations. In general, all excavations extended partially or fully into the underlying native soil.

During excavation activities, an area of notably different appearance was encountered within EX1 (Figure 4). The soil appeared to be impacted with petroleum hydrocarbons. An area of 15 feet by 19 feet by 15 feet below original grade was excavated and associated soil was segregated on March 17, 2005. The resulting excavated area was identified as EX6.

During soil characterization work, it became apparent that while total lead concentrations in soil were acceptable compared to ESLs, the results often failed the waste extraction test (WET) for non-hazardous disposal. As a result, more analytical testing and stockpile segregation were required to aid in proper disposal.

2.3 Soil Sampling and Analysis

Soil samples including final confirmation, test-pit, and stockpile samples were collected throughout excavation activities. Test pit and confirmation sample results are summarized in Tables 1 through 4, respectively and stockpile sample results are summarized in Tables 5 and 6. Final confirmation samples where the concentration of barium exceeded 1,500 mg/kg were subsequently removed (excavated) and

therefore are not included in Tables 2 through 4. The sample results for each of these sample types are presented below. Laboratory analytical reports are presented as Appendix B.

2.3.1 Sample Handling

All samples were collected by driving either 4-inch stainless steel tubes or 4-ounce glass jars into undisturbed soil, either in the excavation or collected by the excavator bucket. After samples were collected, stainless steel tubes were capped with Teflon tape and plastic lids, and jars were capped with screw lids. All soil samples were labeled, placed immediately into a cooler with ice, and transported to either Entech Analytical Laboratories of Santa Clara or Advanced Technology Laboratories of Signal Hill, California.

2.3.2 Removal of Clarifier

On March 11, 2005, the former sedimentation basin (clarifier) located in the northwest corner of the Site was accessed (Figure 2). Upon removing the lids, it was noted that all three chambers of the clarifier were filled with water or oil. A sample of oil from the middle chamber was collected using a bailer and submitted to Entech Laboratories for chemical analyses. The sample was analyzed for VOCs using EPA Method 8260B and PCBs using EPA Method 8082A. No VOCs or PCBs were detected in the oil sample. On March 21, 2004 the oil and water were subsequently pumped out of the chambers and transported by Clearwater Environmental to Alvisio Independent Oil, a recycling facility.

On March 24, 2005, SGI observed the removal of the clarifier. No cracks or holes were noted upon removal and no staining was observed on the soil underlying the clarifier. Two soil samples, WO-1 and WO-2, were collected from the soil underlying the clarifier. These soil samples were analyzed for TPHmo and TPHd using EPA Method 8015 and VOCs using EPA Method 8260B. No TPHd or VOCs were detected in either sample. TPHmo was reported in the two samples at a concentration of 47 mg/kg and 31 mg/kg, respectively. No additional soil was excavated in this area because the TPHmo concentrations did not exceed the commercial/industrial land use ESL of 1,000 mg/kg. Laboratory analytical reports are presented as Appendix B.

2.3.3 Test-Pit Sample Results

A total of 29 test-pit locations were dug through the course of soil excavation activities at the Site (Figure 6). Test-pit soil samples were generally analyzed for total lead and total barium. In 14 of these locations (EX1-38 through EX1-41, EX1-43, TP-5 through TP-7, TP-9 through TP-11, TP-17, TP-21, and TP-23), barium was reported in soil samples collected from all depth intervals at concentrations less than 1,500 mg/kg. Soil samples collected in the shallow debris-containing soil (fill) contained the highest concentrations of barium and lead. Test pit sample results are presented in Table 1.

2.3.4 Confirmation Soil Sample Results

Following excavation, confirmation samples were collected to verify that the concentration of barium in soil did not exceed 1,500 mg/kg. In accordance with the approved RAP confirmation soil samples were collected along 20-foot centers along the bottom and sidewalls of the excavations. Sidewall samples were collected at a point mid-way between the top and bottom of the excavation. The concentrations of barium in the confirmation samples ranged from 34 mg/kg to 1,500 mg/kg. Final Confirmation sample results are presented in Tables 2, 3, and 4. Confirmation sample locations are presented in Figures 7 through 10.

2.3.4.1 Excavation EX6 Results

Soil samples were also collected from the sidewalls and bottom of EX6. Soil excavated from EX6 was segregated. One composite soil sample was collected from the segregated soil and analyzed for TPHd, TPHmo, and VOCs. Four sidewall and two bottom samples were also collected submitted for the same analyses. No TPHd, TPHmo, or VOCs were detected in any of the bottom or sidewall samples. No TPHd was detected in the segregated soil. Within the segregated soils, TPHmo was reported at a concentration of 220 mg/kg; the following VOCs were reported at the respective concentrations: 1,2,4-trimethylbenzene (4.1 mg/kg); 1,3,5-trimethylbenzene (4.1 mg/kg); 1,4-Dioxane (12 mg/kg); n-Propylbenzene (0.43 mg/kg); and Napthalene (0.38 mg/kg). No other VOCs were detected in the segregated soil. The laboratory analytical report for EX6 is presented in Appendix B.

2.3.5 Stockpile Sample Results

Four stockpiles were generated during excavation activities at the Site. The remaining volume of soil that was excavated from the Site was direct-loaded into trucks and immediately transported to the appropriate landfill. The stockpiles were identified as SP1, SP2, SP3, and SP4.

To characterize stockpiles for disposal, soil samples were collected for each stockpile. Prior to sampling, each stockpile was sampled based on the sample frequency required by the landfill. The volume of the four stockpiles was estimated to be 750, 120, 900, and 950 cubic yards, respectively. Eight soil samples were collected from SP1 (SP1A-H), four from SP2 (SP2A-D), and eight from SP3 (SP3A-H) and SP4 (SP4A-H). Soil samples were composited in sets of four (SP1A-D, SP1E-H, SP2A-D, SP3A-D, SP3E-H, SP4A-D, SP4E-H).

2.3.5.1 Stockpiles SP1 and SP2

SP1 and SP2 were the first stockpiles generated and sampled, so more extensive testing was performed. These stockpiles were analyzed for TPHd, TPHmo, SVOCs, VOCs, PCBs, pesticides, and CAM. 17

metals. No SVOCs, PCBs, pesticides, or VOCs other than one low concentration (2 mg/kg) of 1,2,4-Trimethylbenzene were detected in these composites (SP2 A-D). Select total metals were detected in these samples. Based on this current data and Treadwell and Rollo's 2003 data, SGI selected six metals for the WET analysis. These constituent total analytical results exceeded 10 times their respective soluble threshold limit concentrations (STLCs). Composite samples collected from SP1 were also analyzed for barium, chromium, and lead for using the toxicity characteristic leaching procedure (TCLP). These constituent total concentrations exceeded 20 times their respective TCLP regulatory limit. The WET and TCLP analyses were utilized to determine the disposition of each stockpile.

2.3.5.2 Stockpile SP3

SP3 was generated subsequent to receiving analytical results from SP1 and SP2. This data and previous site data indicated that pesticides were not present at the Site. Therefore, no pesticide analysis was requested for composite samples associated with SP3. WET analysis was not performed for any metals because previous results indicated that total lead results exceeding 10 times the STLC also generally exceeded the STLC by the WET analysis. TCLP results from SP1 and SP2 also indicated that TCLP analyses were not required for soil disposition. Other than these analyses, soil samples collected from SP3 were analyzed for the same analytes as SP1, for similar reasons.

2.3.5.3 Stockpile SP4

SP4 was the last stockpile generated. All composite samples collected from SP1, SP2, and SP3 indicated that metals, specifically lead, were the only compounds requiring analysis for disposal purposes. All other compounds were either not detected in samples, or detected well below their respective non-hazardous acceptance criteria. Therefore, SP4 was only analyzed for total CAM 17 metals. Soil disposition of SP4 was determined using only the total metal results.

2.3.5.4 Total Petroleum Hydrocarbons

TPHmo concentrations ranging between 41 mg/kg in composite sample SP3A-D to 1,800 mg/kg in SP2A-D. No TPHd was reported in stockpile samples collected from SP1 or SP2. TPHd was reported in SP3A-D and SP3E-H at concentrations of 22 mg/kg and 280 mg/kg, respectively. No TPHk or TPHms was reported in SP2A-D.

2.3.5.5 VOCs, SVOCs, PCBs, and Pesticides

No SVOCs, PCBs, or pesticides were reported in any of the stockpile composite sample where these analyses were requested. No VOCs were reported in any composite sample with the exception of 1,2,4 trimethylbenzene that was reported at a concentration of 2 mg/kg in SP2A-D.

2.3.5.6 Metals

All stockpile composite samples were analyzed for Title 22 metals. No antimony, beryllium, cadmium, silver, or thallium was detected above laboratory reporting limits. Of the remaining metals that were detected (arsenic, barium, chromium, cobalt, copper, lead, mercury, nickel, selenium, vanadium, and zinc), none of the concentrations exceeded their respective total threshold limit concentration (TTLC). WET analyses were performed for SP1 and SP2 composite samples for arsenic, barium, chromium, lead, mercury, and vanadium. Lead was detected in the composite samples collected from SP1 at concentrations exceeding its respective STLC. No WET analyses were performed for composites collected from SP3 or SP4 because soil was profiled using total metal results. TCLP analysis was performed on SP1 composite samples for chromium, barium, and lead because total concentrations of these metals exceeded 20 times their regulatory limit. However, none of the TCLP analyses were reported at concentrations exceeding their respective regulatory limit.

2.4 Soil Profiling, Transportation, and Disposal

Soil generated from the initial phase of excavating in EX1/2 and EX3 were stockpiled and temporarily stored onsite. Soil was placed into three stockpiles: SP1, SP2, and SP3. Stockpiles SP1 and SP2 were stored temporarily on the southern portion of the property east of the former office building. SP3 was temporarily stored on the eastern portion of the Site. SP4 was generated during the initial excavation of EX4, and was temporarily placed in the same location where SP1 had been placed prior to disposal. Soil stockpile locations are shown on Figure 5.

As discussed above, the WET analysis for lead exceeded its STLC of 5 milligrams per liter (Table 5) in SP1, which classified this soil as California hazardous waste requiring Class I disposal. In SP3 and SP4, lead results were compared to 10 times the STLC in the absence of WET analysis. These comparisons indicated that lead reported above 10 times the TTLC in three of the four composite samples. Therefore, SP4 and half of SP3 (E-H) were disposed of as California hazardous waste.

Soil samples from test-pits were analyzed for lead in addition to barium. Based on these results, soil was segregated for subsequent disposal as Class I, Class II, and Class III. This data enabled excavated soil to be direct-loaded into trucks for immediate transport and disposal offsite.

A summary of the final disposition of the soil is presented below.

2.4.1 Asphalt and Concrete

Prior to excavation, overlying concrete and asphalt was broken up and stockpiled throughout soil excavation activities. Asphalt and concrete was disposed of at Granitrock's recycling facility located in Redwood City, California.

2.4.2 Class I Soil

Class I soil was transported using end dumps to the San Francisco rail yard. The soil was then transferred to rail car for subsequent transport East Carbon Development Corporation (ECDC) Landfill in East Carbon, Utah. A total of 7,153 tons of class I soil was transported to ECDC.

2.4.3 Class II Soil

The Class II soil from SP2 and SP3 were transported using end dumps to Forward Landfill of Manteca, California. A total of 1,057 tons of class II soil was transported to Forward Landfill.

2.4.4 Class III Soil

All Class III soil was transported to OX Mountain Landfill, Half Moon Bay, California. At total of 3,608 tons of class III soil was transported to Ox Mountain.

3.0 SUMMARY AND CONCLUSIONS

The primary objective of the remedial actions conducted for the Site included the removal (excavation) and offsite disposal of approximately 11,818 tons of soil containing concentrations of barium in excess of 1,500 mg/kg. Removal activities were conducted between the period of November 2004 and March 2005 in accordance with the RAP prepared by SGI and subsequently approved by San Mateo County.

Excavation activities were initially carried out based on the results of the soil boring investigation conducted by SGI in April 2004 and the scope of work presented in the RAP. Soil was stockpiled temporarily onsite for subsequent sampling and profiling for disposal. In December 2004, it became evident that the extent of soil containing barium at concentrations in excess of 1,500 mg/kg was greater than originally estimated due to its distribution being predominately heterogeneous within the fill material.

To better define the lateral and vertical extent of barium-affected soil, a series of test pits were excavated and soil samples were collected and analyzed to determine the lateral and vertical extent of soil to be removed. Soil lithologic and chemical analyses data was used to identify additional areas to be excavated. In addition, the chemical analyses were used to segregate the soil and profile the soil for proper disposal.

Confirmation samples were collected following the completion of each "phase" of excavation to verify that the barium-affected soil had been removed in accordance with the RAP. Further lateral or vertical excavation and confirmation sampling was carried out until all confirmation soil samples met the cleanup level for barium specified in the RAP (1,500 mg/kg).

Soil encountered during excavation included fill and native soil. Fill material consisted dark brown or black clayey silt and sand which locally contained a significant amount of debris (concrete, bricks, metal filings, etc.). During excavation, several concrete footings and walls were encountered, primarily in the vicinity of EX4, the majority of which were removed. Other fill (soil) encountered included reddish brown or dark brown silt or clayey silt with little or no debris. The fill ranged from approximately 3 to 12 feet in thickness with the thickest sections occurring immediately behind the retaining walls (EX1, EX5, and EX7). Native soil consisting of pale yellow, clayey sand and sand was encountered underlying the fill in most excavations. In general, all excavations extended partially or fully into the underlying native soil. In general, soil samples collected in the shallow debris-containing soil (fill) contained the highest concentrations of barium and lead. In general, the highest concentrations of barium were observed in the fill.

Soil samples collected from the test pits, excavations, and soil stockpiles were used to profile the soil for proper offsite disposal. A total of approximately 7,153 tons, 1,057 tons, and 3,608 tons of soil were disposed of at the ECDC, Forward, and Ox Mountain Landfills, respectively.

The results of the confirmation sampling indicate that the remaining concentrations of barium in soil do not exceed 1,500 mg/kg. In consideration of the above findings and conclusions, it is The Source Group's opinion that on the basis of risk, further remediation and/or assessment is not warranted.

An administrative control in the form of a deed restriction will be implemented upon final acceptance of the RAP. The deed restriction will specify that the area of soil impact located in the west portion of the Site (Parcel A) will be limited in development for commercial use. The deed restriction will follow a format acceptable to GPP and will run with the land indefinitely.

4.0 REFERENCES

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- CRWQCB, 2003. California Regional Water Quality Control Board - San Francisco Bay Region, 2003, Screening for Environmental Concerns at Sites With Contaminated Soil and Groundwater, CRWQCB Interim Final - July 2003.
- GPP, 2003a. San Mateo County Health Services Agency Groundwater Protection Program (GPP) Letter, Malcolm Drilling Property, San Mateo County Health Services Agency, May 7, 2003.
- GPP, 2003b. San Mateo County Health Services Agency Groundwater Protection Program (GPP) Letter, Malcolm Drilling Property, San Mateo County Health Services Agency, October 29, 2003.
- GPP, 2003c. San Mateo County Health Services Agency Groundwater Protection Program (GPP) Letter, Malcolm Drilling Property, San Mateo County Health Services Agency, December 16, 2003.
- GPP, 2004. San Mateo County Health Services Agency Groundwater Protection Program (GPP) Letter, Malcolm Drilling Property, San Mateo County Health Services Agency, January 28, 2004.
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- LBNL, 1995. Protocol for Determining Background Concentrations of Metals in Soil at Lawrence Berkeley National Laboratory, Lawrence Berkeley National Laboratory, University of California, Berkeley, California, August 1995.
- SGI, 2003a. Letter submitted in response to GPP letter dated May 7, 2003, The Source Group, Inc., October 22, 2003.
- SGI, 2003b. Letter submitted in response to GPP letter dated October 29, 2003, The Source Group, Inc., December 4, 2003.
- SGI, 2004a. Soil Investigation Work Plan, The Source Group, Inc., January 27, 2004.
- SGI, 2004b. Remedial Action Plan, The Source Group, Inc., September 10, 2004.
- Treadwell & Rollo, 2003. Environmental Site Characterization Report, Malcolm Drilling Property, Treadwell & Rollo, March 20, 2003.

- U.S. Environmental Protection Agency (USEPA). 1989. Risk Assessment Guidance for Superfund, Human Health Evaluation Manual, Part A. Interim Final. Solid Waste and Emergency Response. July.
- U.S. Environmental Protection Agency (USEPA). 1992. Supplemental Guidance to Risk Assessment Guidance for Superfund: Calculating the Concentration Term. Publication 0285.7.081. May.
- U.S. Environmental Protection Agency (USEPA). 2002. Calculating Upper Confidence Limits for Exposure Point Concentrations at Hazardous Waste Sites. Office of Emergency and Remedial Response, Washington D.C., OSWER 9285.6-10. December.
- U.S. Environmental Protection Agency (USEPA). 2003. ProUCL-Version 2.1. [Software for Windows 2000, accompanied by "ProUCL User's Guide."] Prepared for USEPA by Lockheed Martin. February.

From: Charles Ice
To: DOUG CEFALI
Date: 9/6/2005 1:23:25 PM
Subject: RE: Oyster Pt Environmental

I have reviewed both SECOR reports and The Source Group report regarding the voluntary investigations at this site for TPH and discussed them with my program lead. We are not going to require any action based on the data we have to date. This is not to be interpreted that San Mateo County certifies this site completely clean, that is what the environmental consultants are saying in their professional opinions.

In addition, I have finalized the review of all the Geotracker submittals and you are now in compliance. I believe I am still waiting on the comm deed restriction verification before I can begin the closure process which may take a few months in an of itself.

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program
San Mateo County Environmental Health
455 County Center
Redwood City CA 94063
(650) 363-4565
(650) 599-1071 Fax
cice@co.sanmateo.ca.us

>>> "DOUG CEFALI" <DCEFALI@malcolmdrilling.com> 8/30/2005 4:35:15 PM >>>

Hi Mike, I spoke with Charles Ice this morning regarding Parcel B at 200 Oyster Point. Charles pointed out that the county of San Mateo does not issue "Comfort letters". Rather it is the counties position that it will only issue a letter requesting the opening of a site investigation if it feels the level of ESL's warrant it. Thus' if Charles feels that the latest round of soil and groundwater tests do not warrant opening additional site investigations, you will hear nothing more from the county about it. You will only hear from the county if there is a problem.

That said, Charles says he normally responds within several days of receipt of a report if he sees a problem that would warrant opening of an additional site investigation. The source group Fed ex'd its report to the county last Friday; however Charles was out of town until today, and is only now able to start reviewing the reports we have forwarded to his office.

Mike, as you know , the site has been tested extensively. Treadwell and Rollo performed the initial Phase 1 and 2 tests. Next The Source Group did its phase 2 testing (and remediation work) , then Kaiser did it's phase 2 with Secor, along with Secor's retesting, then The Source group did its final soil and ground water testing. This site has been thoroughly tested and all that remains to be clarified is the one low level groundwater diesel hit of ~1,600 ppb.

Both Secor and The source group did not recommend any further testing and feel the site is clean for its intended use as a medical treatment facility.

I know this does not give Kaiser the answer it is looking for, since it hoped for written documentation from the county, but it appears that the documentation will have to be in a passive form whereby we don't receive a request to open additional site investigations.

Thank You

Douglas Cefali

Malcolm Properties, Inc.

92 Natoma Street, Suite 300

San Francisco, CA 94105

(415) 901-4401 Fax (415) 543-3560

<<http://www.MalcolmProperties.com>> www.MalcolmProperties.com

<<mailto:Doug@MalcolmProperties.com>> Doug@MalcolmProperties.com

LOSSING & ELSTON
ATTORNEYS

100 PINE STREET, SUITE 3110
SAN FRANCISCO, CALIFORNIA 94111

WRITER'S E-MAIL
LGL@LOSSING.COM

LAWRENCE G. LOSSING

FAX
(415) 882-4050

TELEPHONE
(415) 882-4200

June 15, 2005

SAN MATEO COUNTY
ENVIRONMENTAL HEALTH
JUN 16 2005
RECEIVED

Mr. Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program
San Mateo County Health Department
455 County Center
Redwood City, California 94063

Re: 200 Oyster Point Boulevard, South San Francisco (SMCo #559181)

Dear Mr. Ice:

I have received, indirectly, a copy of your letter of June 8, 2005, to Douglas Cefali concerning the referenced property at 200 Oyster Point Boulevard, South San Francisco.

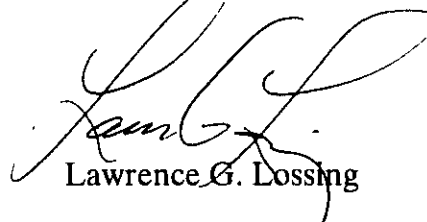
I write to you now only to request that you correct my mailing address in your file. For all future purposes, that address should be listed as:

Lawrence G. Lossing
Lossing & Elston
100 Pine Street, Suite 3110
San Francisco, California 94111
Telephone No. (415) 882-4200
Fax No.: (415) 882-4050

Thank you for giving this your attention.

Very truly yours,

LOSSING & ELSTON



Lawrence G. Lossing

LGL:mt

cc: Mr. Douglas Cefali
Malcolm Properties, Inc.



HEALTH DEPARTMENT

June 8, 2005

SMCo Site #559181
APN 015-023-380

Douglas Cefali
Malcolm Building LLC
92 Natoma Street, Suite 300
San Francisco, CA 94105

**SUBJECT: MALCOLM DRILLING, 200 OYSTER POINT BOULEVARD
SOUTH SAN FRANCISCO, CALIFORNIA**

Dear Mr. Malcolm:

Thank you for the May 4, 2005 *Remedial Action Report* submitted by The Source Group and the draft Covenant to Restrict Use of Property commercial deed restriction for the above referenced site. In accordance with Title 23, Division 3, Chapter 30 and Title 27, Division 3, Subdivisions 1 and 2, please claim this site and submit all of the analytical data and a site map(s) with all associated sampling locations for this event electronically to the State of California's Geotracker database. This additional requirement is being made by the State Water Resources Control Board as of January 1, 2005. Once this has been completed, San Mateo County Health Department Groundwater Protection Program (GPP) staff will begin preparing this case for closure. An internal review will occur within San Mateo County during which the commercial deed restriction should be finalized.

Please note, the assessor's parcel number for the site seems to have changed and needs to be reflected in the deed restriction. Only one word was changed in the draft deed restriction by GPP staff. After making these minor modifications, please have the appropriate person sign the deed restriction and attach the notary public sheet. Submit the signed deed restriction to San Mateo County for co-signature and attachment of another notary public sheet. Once you have received back the completed deed restriction, please officially attach it to the property at the Assessor's office and submit proof of this activity to GPP staff. Once GPP staff has received this proof and completed its internal review, the closure documents will be prepared. At that time, all of GPP staff's time will be calculated to determine your cost associated with GPP staff's oversight of the above referenced site. After final payment has been made, the closure documents will be sent to you and all other appropriate entities.

If there has been a change in the responsible party contact information for this site, please send GPP staff a letter officially notifying GPP staff of the change. I appreciate your cooperation. Should you have any questions, please call me at (650) 363-4565.

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION

Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Adrienne Tissler • Health Director: Charlene Silva
455 County Center • Redwood City, CA 94063 • PHONE 650.363.4305 • TDD 650.573.3206 • FAX 650.363.7882
<http://www.smhealth.org>

200 Oyster Point Boulevard, South San Francisco (SMCo# 559181)

June 8, 2005

Page 2

Sincerely,

A handwritten signature in cursive script that reads "Charles Ice".

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program

attachment

cc: Kent Reynolds, The Source Group, 3451-C Vincent Road, Pleasant Hill, CA 94523
Lawrence G. Lossing, Lossing & Elston, 100 First Street, 25th Floor, San Francisco, CA 94105

Recording Requested by:

**County of San Mateo Health Services Agency
Environmental Health Services Division**

When Recorded, Mail to:

Malcolm Building, LLC
92 Natoma Street, Suite 400
San Francisco, California 94105
Attn: Mr. Doug Cefali

COVENANT TO RESTRICT USE OF PROPERTY

[ENVIRONMENTAL RESTRICTION]

200 Oyster Point Boulevard

South San Francisco, California

Site APN: 015-023-~~100~~, Parcel A **380**

The Covenant and Agreement ("Covenant") is made on the 4th day of May, 2005, by Malcolm Building, LLC., a California Limited Liability Company, ("Covenantor"), which is the owner of record of that certain property situated in South San Francisco, County of San Mateo, State of California, described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"), and by the San Mateo County Environmental Health Services Division (the "Department"). Covenantor and the Department (collectively referred to as the "Parties") desire and intend that in order to protect the present and future public health and safety, the Property shall be used in such a manner as to avoid potential harm to persons or property which may result from hazardous substances which may have been deposited on the Property.

**ARTICLE I
STATEMENT OF FACTS**

1.01 Description of Contamination. The Property was from time to time occupied by various industrial concerns. Chemicals, including total petroleum hydrocarbons quantified in the diesel range and the motor oil range, and barium, have been detected in the soil in and under portions of the site. A Remedial Action Report dated May 4, 2005, which particularly describes the condition of the soil at the subject site, and the investigative methods employed to determine this condition, is attached hereto as Exhibit "B." As stated in that Report, hydrocarbon-affected soil was removed by excavation and offsite disposal at an approved landfill. Barium-affected soil was

removed by excavation and offsite disposal at an approved landfill; confirmatory sampling results indicate that the barium concentration in the remaining soils on site does not exceed 1500 parts per million. No further remediation is required.

1.02 Health Effects. The risk, if any, of public exposure to the contaminants has been minimized by the remediation described in Section 1.01. The Department has indicated its belief that the shallow-soil urban commercial/industrial land use ecotoxicity environmental screening level for barium of 1500 mg/kg is appropriate for this site.

1.03 Surrounding Land Use. The Property is located in the City of South San Francisco. It is located in an industrial area that consists predominantly of low- to mid-rise buildings and landscaped areas.

1.04 Finding. Pursuant to California Civil Code Section 1471(c), the Department has determined that this Covenant is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence on the land of hazardous materials as defined in Health & Safety Code Section 25260.

ARTICLE II GENERAL PROVISIONS

2.01 Provisions to Run with the Land. This Covenant sets forth protective provisions, covenants, restrictions, and conditions (collectively referred to as "Restrictions"), upon and subject to which the Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed for residential uses or daycare facilities. Each and all of the Restrictions shall run with the land, and pass with each and every portion of the Property, and shall apply to and bind the respective successors in interest of Covenantor. Each and all of the Restrictions are imposed upon the entire Property unless expressly stated as applicable to a specific portion of the Property. Each and all of the Restrictions are for the benefit of and enforceable by the Department and are imposed pursuant to, and run with the land pursuant to, Health and Safety Code Section 25222.1 and Civil Code Section 1471, and are subject to the variance and removal procedures spelled out in paragraphs 5.01 and 5.02 of this Covenant.

2.02 Concurrence of Owners Presumed. All future purchasers, lessees, or possessors of any portion of the Property who acquire their interest from or through Covenantor shall be deemed by their purchase, leasing, or possession of such Property to be in accord with the foregoing and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such heirs, successors, and assignees that their interest in the Property shall be subject to the Restrictions contained herein.

ARTICLE III DEFINITIONS

3.01 Department. "Department" shall mean the San Mateo County Environmental Health Services Division and shall include its successor agencies, if any.

3.02 Improvements. "Improvements" shall mean all buildings, roads, driveways, regrading, and paved parking areas, constructed or placed upon any portion of the Property.

3.03 Occupant(s). "Occupant(s)" shall mean those persons entitled by ownership, leasehold, or other legal relationship to the right to occupy any portion of the Property.

3.04 Owner. "Owner" shall mean the Covenantor or its successors in interest, including heirs and assigns, who hold title to all or any portion of the ownership interest to all or any portion of the Property. A future lessee who subleases all or any portion of the Property is an "Owner" in its capacity as sublessor.

ARTICLE IV DEVELOPMENT, USE, AND CONVEYANCE OF THE PROPERTY

4.01 Restrictions on Development and Use. Covenantor promises to restrict the use of the Property as follows:

- a. ~~No~~ residential use or day-care use shall be permitted on the Property.
- b. No raising of food (cattle, food crops, cotton) shall be permitted on the Property.
- c. No drilling for drinking water, oil or gas shall be permitted on the Property without prior authorization from the Department.
- d. No uses or development of the Property shall disturb the soil without the prior approval of the Department, which approval shall not be unreasonably withheld.
- e. No activities which will disturb the soil (e.g., excavation, grading, removal, trenching, filling, earth movement, or mining) shall be permitted without a Soil Management Plan and a Health and Safety Plan submitted to the Department for review and approval. Notwithstanding the foregoing, Covenantor may perform routine landscaping and maintenance of improvements thereon.

4.02 Access for the Department. The Department or its designated agents (including successor agencies) shall upon reasonable notice, no less than forty-eight (48) business hours, have access to the property for the purpose of inspection, surveillance, or monitoring, or other purpose necessary to protect public health or safety and the environment as provided in Chapters 6.5 and 6.8 of the California Health and Safety Code and Chapter 4 of Division 7 of the Water Code.

4.03 Enforcement. Failure of an Owner or an Occupant to comply with any of the restrictions set forth in Section 4.01 shall be grounds for the Department, by reason of the Covenant, to require that such Owner or Occupant modify or remove any improvements constructed in violation of Section 4.01 and to initiate such civil or criminal action as may, notwithstanding this covenant, be within the jurisdiction of the Department to initiate. Violation of the Covenant shall be grounds for the Department to file civil and criminal actions against the violating Owner(s) or Occupant(s) as provided by law. This Covenant shall not create any private right of action against Covenantor or any other Owner or Occupant of the Property or any portion thereof; nor shall this Covenant by its own terms create an obligation by Covenantor to police or enforce the performance of others hereunder.

4.04 Notice in Agreements. Any transferring Owner or Occupant shall execute a written instrument, which shall accompany the purchase, lease, sublease, rental agreements, or similar conveyance document(s) relating to the Property. The instrument shall contain the following statement: "The land described herein has been remedied in accordance with Chapter 6.8 of Division 20 of the Health and Safety Code. The San Mateo County Environmental Health Services Division has determined that the cleanup level accomplished by the remediation is protective of public health and the environment as long as the conditions of the approved Remedial Action Plan for the Property, including the use restrictions imposed by the recorded Covenant and Agreement for Environmental Restrictions for the Property, a copy of which is attached hereto and incorporated herein by reference, are complied with. Because hazardous substances remain within the soil of the Property such conditions render the Property and the Owner(s), lessee(s), or other Occupant(s) of the Property subject to the applicable provisions of Chapters 6.5 and 6.8 of Division 20 of the Health and Safety Code. This statement is not a declaration that a hazard exists."

ARTICLE V VARIANCE AND TERMINATION

5.01 Variance. Any Owner(s) or, with the Owner's written consent, any Occupant of the Property or any portion thereof may apply to the Department for a written variance, based upon further environmental evaluation and/or remediation from the provisions of this Covenant. Such application shall be made in accordance with Health & Safety Code section 25233.

5.02 Termination. Any Owner(s) or, with the Owner's written consent, any Occupant of the Property or a portion thereof may apply to the Department for a termination of the Restrictions as they apply to all or any portion of the Property. Such application shall be made in accordance with Health & Safety Code section 25234.

5.03 Term. Unless modified or terminated in accordance with Sections 2.01, 5.01 or 5.02 above, by law or otherwise, this Covenant shall continue in effect in perpetuity. When this Covenant is terminated all terms and requirements herein, including Article IV, shall terminate.

ARTICLE VI MISCELLANEOUS

6.01 No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property or any portion thereof to the general public or for any purposes whatsoever.

6.02 Notices. Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (1) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served or official of a government agency being served, or (2) three [3] business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested:

To "Covenantor"

Malcolm Building, LLC
92 Natoma Street
San Francisco, California 94105
Attn: Mr. Doug Cefali

To "Department"

County of San Mateo Health Services Agency
Environmental Health Services Division
455 County Center, 4th Floor
Redwood City, CA 94063

6.03 Partial Invalidity. If any portion of the Restrictions or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

6.04 Article Headings. Headings at the beginning of each numbered articles of this Covenant are solely for the convenience of the parties and are not a part of the Covenant.

6.05 Recordation. This instrument shall be executed by the Covenantor and the Department and shall be submitted for recording by the Covenantor to the County of San Mateo within ten (10) days of Covenantor's receipt of a fully executed and acknowledged original of this instrument.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth above.

COUNTY OF SAN MATEO HEALTH
SERVICES AGENCY
ENVIRONMENTAL HEALTH SERVICES
DIVISION

Dated: _____

By: _____

MALCOLM BUILDING, LLC

Dated: May 5, 2005.

By: _____
John M. Malcolm

STATE OF CALIFORNIA)

) ss

COUNTY OF _____)

On this ____ day of _____ 20____ before me personally appeared _____ to me personally known and known to be the persons individually or jointly described in and who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

My term expires _____.

(signature)

Notary Public



**THE
SOURCE GROUP, Inc.**

May 4, 2005

Mr. Charles Ice
San Mateo County Health Services Agency
Groundwater Protection Program
455 County Center
Redwood City, California 94063

**Subject: Remedial Action Report - Malcolm Drilling Property
200 Oyster Point Blvd.
So. San Francisco, California**

Dear Mr. Ice:

On behalf of Malcolm Properties LLC. (Malcolm), The Source Group, Inc. (TSG) is submitting the attached Remedial Action Report for the Malcolm Drilling Company property located at 200 Oyster Point Boulevard, South San Francisco, California (Site). A draft Deed Restriction for the Site is being forwarded to you under separate cover. Your review of the subject documents at your earliest convenience is greatly appreciated.

Please contact the undersigned if you have any questions or comments.

Sincerely,

The Source Group, Inc.

A handwritten signature in black ink, appearing to read "Kent R. Reynolds", written in a cursive style.

Kent R. Reynolds
Principal Geologist

Attachments: Remedial Action Report

cc: Mr. Douglas Cefali, Malcolm Properties LLC

From: Charles Ice
To: Doug Cefali
Date: 1/18/2005 9:16:47 AM
Subject: RE: 200 Oyster Point Request For Extension

Ok Doug.

My statement was based on the conversation I had with the city in which they told me they had informed you of these requirements "a month ago" which does qualify as previously. Therefore, my statement you quoted was in fact accurate and with merit and not an assumption on my part!

I did not review your voice mail message in which you requested I contact you prior to reviewing and responding to your previous email. Your subsequent email provides me with more relevant information regarding the need to obtain the necessary permits from the city. Based on my conversation with the city and your original email it was not clear this was an additional requirement made in the middle of the remediation. The relevant information is that you now have knowledge that the city utility easement is contaminated which necessitates the encroachment permit and the fact that the additional size of the remediation warrants a grading permit and winterization plan is necessary which were not originally required based on the original excavation size estimates.

This is the type of information I need to deem extension requests justifiable. I think you can see upon reviewing your original email that justification was not provided to allow me to grant an additional extension request. Based on this new information, I will in fact suspend the timetable for completion of the remediation work. The deadline will be approximately 6 weeks from the time you receive all of the necessary permits and approval from the city. I will require you to provide me with quarterly (every three months from the date of this suspension) updates on the progress of receiving approval and the necessary permits from the city.

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program
San Mateo County Environmental Health
455 County Center
Redwood City CA 94063
(650) 363-4565
(650) 599-1071 Fax
cice@co.sanmateo.ca.us

>>> "Doug Cefali" <dcefali@comcast.net> 1/18/2005 8:40:02 AM >>>
Charles, you are making the quantum assumption that:

"It is my understand you were made aware of the city's requirements previously"

This assumption is completely false and totally without merit. We told the city what we were doing and the city agreed that no grading permit was required for environmental clean up. They only requested we notify Genentech, which we did. Genentech has never returned any of my telephone calls.

Now we have discovered that the quantity of material is greater than originally believed to be, and that the city utility easement on our

property is also contaminated. We cannot finish our clean up until the city relocates traffic signals and street lighting and a retaining wall. This is what has caused the problem, and why they feel permits are now required. The city is also scared to death of Genentech and wants to be sure that nothing we are doing will create any problems for Genentech. The city wants Genentech to review all the reports and become involved. They consider Genentech to be an interested party in our site.

So I have two government agencies with disparate goals and requirements dictating how the site be cleaned up.

Somebody needs to make a decision as to where we go from here.

Doug

-----Original Message-----

From: Charles Ice [<mailto:cice@co.sanmateo.ca.us>]

Sent: Tuesday, January 18, 2005 8:06 AM

To: DCEFALI@malcolmdrilling.com; kreynolds@thesourcegroup.net

Subject: RE: 200 Oyster Point Request For Extension

As noted in your email I had previously granted an approximate 2 month extension request based on justifiable reasons. I had recently been made aware of the situation at your site by the City as well. Frankly, this issue should have been worked out prior to initiating the work at the site. County approval of remediation work does not relieve you of complying with city requirements. It is my understand you were made aware of the city's requirements previously. I can not classify this as a justifiable reason for extending the deadline. Therefore, I am not going to officially extend the deadline a second time for this site. However, I am not looking to send you a notice of violation the very next day. So my advise to you is to comply with the city's requirements as quickly as possible and then complete your work at the site and submit the report as soon as possible. There will come a point after the deadline which I will have to take action.

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program
San Mateo County Environmental Health
455 County Center
Redwood City CA 94063
(650) 363-4565
(650) 599-1071 Fax
cice@co.sanmateo.ca.us

>>> DOUG CEFALI <DCEFALI@malcolmdrilling.com> 1/17/2005 1:31:57 PM >>>

Hi Charles, I am getting threats from the City of South San Francisco to shut down our environmental remediation work at 200 Oyster Point. They are insisting that we apply for a grading permit and they are requesting additional time to review and approve the environmental reports.

If I have to stop the environmental work, will you suspend your timetable for completion to coincide with the city's review and approval schedule?
Unfortunately I have no idea how long the city wants to do their review and plan check work, but I can guarantee you it won't be in time to make your Feb 18, 2005 deadline noted below.

Thank You

Douglas Cefali
Malcolm Properties, Inc.
92 Natoma Street, Suite 300
San Francisco, CA 94105
(415) 901-4401 Fax (415) 543-3560
www.MalcolmProperties.com
Doug@MalcolmProperties.com

-----Original Message-----

From: Charles Ice [<mailto:cice@co.sanmateo.ca.us>]
Sent: Wednesday, January 12, 2005 2:25 PM
To: kreynolds@thesourcegroup.net
Subject: Re: 200 Oyster Point Request For Extension

OK, because I know that you guys have been working on this the entire time (and not just waiting until the last possible second) and have encountered unknown problems (greater soil amounts) in the field this extension request is reasonable. I will update the report deadline to 2/18/05. Thank you for your communication.

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program
San Mateo County Environmental Health
455 County Center
Redwood City CA 94063
(650) 363-4565
(650) 599-1071 Fax
cice@co.sanmateo.ca.us

>>> "Kent Reynolds" <kreynolds@thesourcegroup.net> 12/23/2004 6:27:48 PM >>>

CC: Kent Reynolds x 326



**THE
SOURCE GROUP, INC.**

December 23, 2004

Mr. Charles Ice
San Mateo County Health Services Agency
Groundwater Protection Program
455 County Center
Redwood City, California 94063

Subject: Malcolm Drilling Property
200 Oyster Point Blvd., South San Francisco, CA

Dear Mr. Ice:

On behalf of Malcolm Properties, Inc. (Malcolm), The Source Group, Inc. (SGI) is submitting this letter regarding submittal of a remedial action report associated with the removal of barium in soil at the Malcolm Drilling Company property located at 200 Oyster Point Boulevard, South San Francisco, California (Site). The San Mateo County Health Services Agency Groundwater Protection Program (San Mateo County) in their letter dated, September 15, 2004 requests submittal of a remedial action report by December 22, 2004.

The volume of soil that is currently in the process of being removed from the Site is greater than originally anticipated. The increased volume of soil has resulted in additional time required to excavate, profile, and transport the soil offsite for proper disposal. Completion of the field activities, including laboratory chemical analyses of confirmation samples, is estimated to be completed by the January 28, 2005. Therefore, we would like to request an extension of the submittal of the remedial action report to February 18, 2004.

Should you have any questions with respect to this project, please feel free to contact me.

Sincerely,

The Source Group, Inc.

A handwritten signature in black ink, appearing to read "Kent R. Reynolds".

Kent R. Reynolds
Principal Geologist

cc: Mr. Douglas Cefali, Malcolm Properties, Inc.



HEALTH SERVICES AGENCY

September 15, 2004

SMCo Site #559181
APN 015-023-110

Douglas Cefali
Malcolm Building LLC
425 Barneveld Ave
San Francisco, CA 94124-1501

**SUBJECT: MALCOLM DRILLING, 200 OYSTER POINT BOULEVARD
SOUTH SAN FRANCISCO, CALIFORNIA**

Dear Mr. Malcolm:

Thank you for the September 10, 2004 *Remedial Action Plan* submitted by The Source Group for the above referenced site. The plan is accepted as presented with the following comments. The areas of excavation are approximate and may be greater than cited in the plan particularly west and south of SB-13, east of SB/GW-2, and all directions around the SB-16 and SB-8 excavation. Unique sidewalls may be created within certain excavations due to changes in elevations within the excavation area such as the difference between SB-13 and SB/GW-2. Any detections of barium above 1,500 milligrams per kilogram will require additional remediation of the entire area for which the sidewall or bottom confirmation sample represents. Additional sidewall and bottom confirmation samples should be collected from additional remedial excavations beyond the originally anticipate areas at the rate of one every 20 linear feet and one every 400 square feet, respectively. Please submit a report of the remedial action by **December 22, 2004**.

If the commercial deed restriction is not placed upon the property within a reasonable time frame, as determined by GPP staff, after the site has been remediated to commercial ESLs, then GPP staff will request the site be further remediated to the residential ESLs. If you or your consultant have not received a template of a commercial deed restriction from San Mateo County Health Services Agency Groundwater Protection Program (GPP), then please contact me.

If there has been a change in the responsible party contact information for this site, please send GPP staff a letter officially notifying GPP staff of the change. I appreciate your cooperation. Should you have any questions, please call me at (650) 363-4565.

Sincerely,

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program

cc: Kent Reynolds, The Source Group, 3451-C Vincent Road, Pleasant Hill, CA 94523
Lawrence G. Lossing, Lossing & Elston, 100 First Street, 25th Floor, San Francisco, CA 94105

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION

Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Michael D. Nevin • Health Services Director: Charlene Silva
455 County Center • Redwood City, CA 94063 • PHONE 650.363.4305 • TDD 650.573.3206 • FAX 650.363.7882
<http://www.smhealth.org>



The Source Group, Inc.

September 10, 2004

Mr. Charles Ice
San Mateo County Health Services Agency
Groundwater Protection Program
455 County Center
Redwood City, California 94063

SAN MATEO COUNTY
ENVIRONMENTAL HEALTH

SEP 15 2004

RECEIVED

**Subject: Remedial Action Plan - Malcolm Drilling Property
200 Oyster Point Blvd.
So. San Francisco, California**

Dear Mr. Ice:

On behalf of Malcolm Properties, Inc. (Malcolm), The Source Group, Inc. (TSG) is submitting the attached Remedial Action Plan for the Malcolm Drilling Company property located at 200 Oyster Point Boulevard, South San Francisco, California (Site).

Please contact the undersigned if you have any questions or comments.

Sincerely,

The Source Group, Inc.

Kent R. Reynolds
Principal Geologist

Attachment: Remedial Action Plan, Malcolm Drilling Property, So. San Francisco, CA

cc: Mr. Douglas Cefali, Malcolm Properties, Inc.



The Source Group, Inc.

August 20, 2004

Mr. Charles Ice
San Mateo County Health Services Agency
Groundwater Protection Program
455 County Center
Redwood City, California 94063

Subject: Malcolm Drilling Property
200 Oyster Point Blvd.
So. San Francisco, California

Dear Mr. Ice:

On behalf of Malcolm Properties, Inc. (Malcolm), The Source Group, Inc. (TSG) is submitting this letter regarding submittal of a remedial action plan to address barium in soil at the Malcolm Drilling Company property located at 200 Oyster Point Boulevard, South San Francisco, California (Site). The San Mateo County Health Services Agency Groundwater Protection Program (San Mateo County) in their letter dated, June 17, 2004 requests submittal of a remedial action plan by August 25, 2004. The Source Group has been, and is in the process of gathering additional data regarding the basis for the development of the ecotoxicity environmental screening levels (ESLs) for barium as presented by the California Regional Water Quality Control Board (CRWQCB) Region 2 (San Francisco Bay Region). We have contacted the Ontario Ministry of the Environment (MOE) and are awaiting additional supporting documentation regarding their basis associated with the development of ESLs. We expect to receive a response from MOE by August 27, 2004. Therefore, we would like to request an extension of the submittal to September 10, 2004.

Please contact the undersigned if you have any questions or comments.

Sincerely,

The Source Group, Inc.

Kent R. Reynolds
Principal Geologist

cc: Mr. Douglas Cefali, Malcolm Properties, Inc.



HEALTH SERVICES AGENCY

June 17, 2004

SMCo Site #559181
APN 015-023-110

Douglas Cefali
Malcolm Building LLC
425 Barneveld Ave
San Francisco, CA 94124-1501

**SUBJECT: MALCOLM DRILLING AT 200 OYSTER POINT BOULEVARD
SOUTH SAN FRANCISCO, CALIFORNIA**

Dear Mr. Malcolm:

Thank you for the May 5, 2004 *Soil Investigation Report* submitted by The Source Group for the above referenced site. As detailed in San Mateo County Health Services Agency Groundwater Protection Program (GPP) staff's previous letter of December 16, 2003, the 95% upper confidence limit (UCL) for barium would not be acceptable at this site. This type of analysis was acceptable for chromium to determine natural variability across the entire site because the concentrations of chromium detected at the site were within the documented range of background concentrations typical of the Bay Area. Therefore, GPP staff was willing to accept the fact that the concentrations of chromium were due to native materials rather than any former activities at the site. The barium contamination does not appear to have a site-wide contamination source such as the native or imported fill material but rather appears to have specific source areas such as the former hazardous waste storage area and one of the maintenance sheds with concentrations of barium above the Environmental Screening Levels (ESLs) and the documented range of background concentrations typical of the Bay Area around those areas. A 95% UCL calculation could be severely biased by the collection of only a few samples within the area of contamination versus several samples collected from outside the area of contamination.

Additionally, the removal of consideration of the urban area ecotoxicity pathway is not appropriate. As detailed in GPP staff's previous letter of October 29, 2003, zoning requirements and current site conditions may change in the future and must be accounted for in determining the most conservative exposure scenario. Even with a commercial deed restriction voluntarily placed upon the site by the current property owner, the exact site conditions such as paved areas, office buildings, and landscaping may change in the future. Therefore, the most conservative screening level for barium at the site is 750 milligrams per kilogram under a residential land use scenario and 1,500 milligrams per kilogram once the commercial deed restriction is voluntarily placed upon the site.

GPP has repeatedly requested you to determine the lateral and vertical extent of contamination. The registered professional in charge appears to think this has been accomplished. Since specific areas of the site contain barium at concentrations above the ESLs, remediation of these areas are warranted. Please submit a remedial action plan by **August 25, 2004**. The residential ESLs

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION

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<http://www.smhealth.org>

June 17, 2003

Page 2

should be used as the default clean up goal unless another proposed clean up goal is appropriately justified. The commercial ESLs may be used as the default clean up goals along with a commercial deed restriction voluntarily placed upon the property. If the commercial deed restriction is not placed upon the property within a reasonable time frame, as determined by GPP staff, after the site has been remediated to commercial ESLs, then GPP staff will request the site be further remediated to the residential ESLs. The exact dimensions of the areas to be remediated will need to be determined by additional lateral assessment or confirmation sampling of the sidewalls and floor of the excavations. The use of previously collected soil samples from borings at the site instead of sidewall or floor confirmation samples in certain areas will need to be justified as appropriate based on location of boring and depth of sample collected and analyzed.

I appreciate your cooperation. Should you have questions, please call me at (650) 363-4565.

Sincerely,

A handwritten signature in cursive script that reads "Charles Ice".

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program

cc: Kent Reynolds, The Source Group, 3451-C Vincent Road, Pleasant Hill, CA 94523
Lawrence G. Lossing, Lossing & Elston, 100 First Street, 25th Floor, San Francisco, CA 94105



The Source Group, Inc.

May 5, 2004

Mr. Charles Ice
San Mateo County Health Services Agency
Groundwater Protection Program
455 County Center
Redwood City, California 94063

SAN MATEO COUNTY
ENVIRONMENTAL HEALTH

MAY - 6 2004

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**Subject: Soil Investigation Report - Malcolm Drilling Property
200 Oyster Point Blvd.
So. San Francisco, California**

Dear Mr. Ice:

On behalf of Malcolm Properties, Inc. (Malcolm), The Source Group, Inc. (TSG) is submitting the attached Soil Investigation Report for the Malcolm Drilling Company property located at 200 Oyster Point Boulevard, South San Francisco, California (Site).

Please contact the undersigned if you have any questions or comments.

Sincerely,

The Source Group, Inc.

Kent R. Reynolds
Principal Geologist

Attachment: Soil Investigation Report, Malcolm Drilling Property, So. San Francisco, CA

cc: Mr. Douglas Cefali, Malcolm Properties, Inc.



HEALTH SERVICES AGENCY

January 28, 2004

SMCo Site #559181
APN 015-023-110

Douglas Cefali
Malcolm Building LLC
425 Barneveld Ave
San Francisco, CA 94124-1501

**SUBJECT: MALCOLM DRILLING AT 200 OYSTER POINT BOULEVARD
SOUTH SAN FRANCISCO, CALIFORNIA**

Dear Mr. Malcolm:

Thank you for the January 27, 2004 *Soil Investigation Work Plan* submitted by The Source Group for the above referenced site. The work plan is accepted as presented. Please note, additional phases of investigation may be requested by GPP even after this proposed phase of investigation. Please submit a report of the investigation by **April 14, 2004**.

Please submit subsurface drilling permit applications (updated in July 2002) for each assessor's parcel for all borings greater than ten (10) feet below ground surface or if they encounter groundwater prior to ten (10) feet below ground surface in which soil or groundwater samples are going to be collected for environmental analysis at least five (5) days prior to the anticipated drilling date. Separate notification is also required at least three (3) days prior to the finalized drilling date. Please be sure to include the appropriate fee based on the current (updated October 1, 2003) Boring and Well Permit Fee Schedule for San Mateo County Health Services Agency Groundwater Protection Program.

I would appreciate your cooperation. Should you have questions, please call me at (650) 363-4565.

Sincerely,

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program

cc: Kent Reynolds, The Source Group, 3451-C Vincent Road, Pleasant Hill, CA 94523
Lawrence G. Lossing, Lossing & Elston, 100 First Street, 25th Floor, San Francisco, CA 94105

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION

Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Michael D. Nevin • Health Services Director: Margaret Taylor
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The Source Group, Inc.

SAN MATEO COUNTY
ENVIRONMENTAL HEALTH

JAN 28 2004

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LETTER OF TRANSMITTAL

Date: January 27, 2004

3451 C Vincent Road
Pleasant Hill, CA 94523
Telephone: (925) 944-2856
Facsimile: (925) 944-2859
E-mail: kspindler@thesourcegroup.net

Delivered via:

- ☐ U.S. Mail
☒ Next Day
☐ Courier
☐ Other: _____

Attention: Charles Ice
Company: San Mateo County HSA
Address: 455 County Center
Redwood, Ca. 94063

Project: Malcolm Properties
Subject: Soil Investigation Work Plan

Enclosed:

- ☐ Proposal
☐ Contract
☒ Report
☐ Letter
☐ Other: _____

For:

- ☐ Per Your Request
☐ For Review
☐ For Approval
☐ For Signature
☐ Your Information
☐ Return
☐ Other: _____

Comments _____

Sent by:
Kent Reynolds
The Source Group, Inc.

pc: _____



HEALTH SERVICES AGENCY

December 16, 2003

SMCo Site #559181
APN 015-023-110

Douglas Cefali
Malcolm Building LLC
425 Barneveld Ave
San Francisco, CA 94124-1501

**SUBJECT: MALCOLM DRILLING AT 200 OYSTER POINT BOULEVARD
SOUTH SAN FRANCISCO, CALIFORNIA**

Dear Mr. Malcolm:

Thank you for the December 4, 2003 letter submitted by The Source Group for the above referenced site. The letter references the fact chromium and barium concentrations in soil vary and should therefore be statistically analyzed and their 95% upper confidence limits (UCL) compared to applicable screening levels. As stated in San Mateo County Health Services Agency Groundwater Protection Program (GPP) staff's previous letter, this type of analysis would be acceptable for chromium. The exact reason why this would be acceptable for chromium was not stated and thought to be understood but now seems to warrant explanation. Several reference materials provide data sets for the natural variability of metals concentrations in soil in California and/or the San Francisco Bay area (The Kerry Foundation, 1996 and Lawrence Livermore National Laboratory, 2000). These reference materials indicate average and 95% UCL concentrations of arsenic and chromium commonly exceed Environmental Screening Levels (Regional Water Quality Control Board July 2003). Of note, concentrations of barium in native soils were not found to commonly exceed ESLs. Therefore, the analysis and comparison of the 95% UCL would only seem appropriate if the concentrations detected at the site were found to be in close relation to those identified in the reference materials.

Secondly, the elevated concentrations of barium above the ESLs appear to be located in one area of the site. This is additional evidence against natural variability explaining the elevated concentrations of barium at the site. If the concentrations of barium did in fact naturally vary to this degree at this site, then these elevated concentrations would be randomly distributed throughout the entire site. These are the type of scientific references, analyses, and justifications (rationale) requested by GPP staff for all investigations of potential contamination.

While the letter attempts to provide rationale for the site already being adequately characterized, it does not provide any additional scientific reference, analysis, and justification from the previous submittal. GPP staff has issued you several letters (May 7, September 23, and October 29, 2003) requesting the submittal of a work plan to characterize the lateral and vertical extent of contamination in soil and groundwater at the above referenced site for review and approval. This letter is GPP staff's final request for the work plan. Please submit the requested work plan by **January 27, 2004**. Failure to comply with the request will result in the issuance of a Notice of Violation.

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION

Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Michael D. Nevin • **Health Services Director:** Margaret Taylor

455 County Center • Redwood City, CA 94063 • PHONE 650.363.4305 • TDD 650.573.3206 • FAX 650.363.7882

<http://www.smhealth.org>

200 Oyster Point Boulevard, South San Francisco (SMCo# 559181)

December 16, 2003

Page 2

I would appreciate your cooperation. Should you have questions, please call me at (650) 363-4565.

Sincerely,



Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program



Gregory J. Smith
Hazardous Materials Specialist
Groundwater Protection Program

cc: Kent Reynolds, The Source Group, 3451-C Vincent Road, Pleasant Hill, CA 94523
Lawrence G. Lossing, Lossing & Elston, 100 First Street, 25th Floor, San Francisco, CA 94105



The Source Group, Inc.

SAN MATEO COUNTY
ENVIRONMENTAL HEALTH-

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November 24, 2003

Mr. Charles Ice
San Mateo County Health Services Agency
Groundwater Protection Program
455 County Center
Redwood City, California 94063

Subject: Malcolm Drilling Property
200 Oyster Point Blvd.
So. San Francisco, California

Dear Mr. Ice:

On behalf of Malcolm Properties, Inc. (Malcolm), The Source Group, Inc. (TSG) is submitting this letter as a follow-up to our telephone conversation on Thursday, November 20, 2003 regarding submittal of a work plan to "characterize the lateral and vertical extent of contamination in soil and groundwater" at the Malcolm Drilling Company property located at 200 Oyster Point Boulevard, South San Francisco, California (Site). The San Mateo County Health Services Agency Groundwater Protection Program (San Mateo County) in their letter dated, October 29, 2003 requests submittal of a work plan by November 26, 2003. As discussed and agreed by San Mateo County during our telephone conversation on November 20, 2003, we request an extension of the submittal to December 5, 2003.

Please contact the undersigned if you have any questions or comments.

Sincerely,

The Source Group, Inc.

Kent R. Reynolds
Principal Geologist

Steven M. McCabe, R.G.
Senior Hydrogeologist

cc: Mr. Douglas Cefali, Malcolm Properties, Inc.



HEALTH SERVICES AGENCY

October 29, 2003

SMCo Site #559181
APN 015-023-110

John Malcolm
Malcolm Building LLC
425 Barneveld Ave
San Francisco, CA 94124-1501

**SUBJECT: MALCOLM DRILLING AT 200 OYSTER POINT BOULEVARD
SOUTH SAN FRANCISCO, CALIFORNIA**

Dear Mr. Malcolm:

Thank you for the October 22, 2003 letter submitted by The Source Group for the above referenced site. However, this letter does not satisfy the request to submit a technical work plan to characterize the lateral and vertical extent of contamination in soil and groundwater at the above referenced site. San Mateo County Health Services Agency Groundwater Protection Program (GPP) issued you letters dated May 7 and September 23, 2003 requesting the submittal of a work plan to characterize the lateral and vertical extent of contamination in soil and groundwater at the above referenced site by July 7 and October 23, 2003, respectively, for review and approval. This letter is GPP's third request for the work plan. Please submit the requested work plan by **November 26, 2003**. Failure to comply with the request will result in the issuance of a Notice of Violation.

The October 22, 2003 letter makes several references to current and probably future conditions. However, GPP requires all sites to be remediated to unrestricted, residential (slab-on-grade construction) land use criteria established by the Regional Water Quality Control Board Region 2 Environmental Screening Levels (July 2003). GPP has no control of city zoning ordinances, which may change in the future. If commercial land use criteria are met but not residential land use criteria at a site, a commercial deed restriction may be obtained without further investigation and remediation activities. When the registered professional in charge and GPP agree the site meets commercial land use Environmental Screening Levels and a commercial land use deed restriction is acceptable to the current property owner of the site, a draft commercial deed restriction may be submitted for review by San Mateo County Counsel and co-signature by GPP prior to recording with San Mateo County Assessor's Office.

According to the June 21, 1995 *Water Quality Control Plan San Francisco Bay Basin (Region II)* issued by the California Regional Water Quality Control Board San Francisco Region, all waters in San Mateo County are considered potential future drinking water resources. GPP must oversee all investigations and remediations assuming groundwater is a future, potable drinking water resource unless exempted using one of the criteria listed in the Basin Plan. An exemption has not been proven at this site to date. Additionally, aquatic receptors were unjustifiably ignored in the letter.

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION

Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Michael D. Nevin • Health Services Director: Margaret Taylor

455 County Center • Redwood City, CA 94063 • PHONE 650.363.4305 • TDD 650.573.3206 • FAX 650.363.7882

<http://www.smhealth.org>

October 29, 2003

Page 2

The only scientific analysis provided in the letter was the development of the 95% UCL for chromium in samples collected from 2- and 5-feet below ground surface. The resultant 95% UCL was deemed the background concentration for chromium in the fill at the site. This type of analysis and the resultant background concentration would normally be accepted by GPP as acceptable and below regulatory criteria for further investigation. However, the letter previously states the fill was located at the site approximately down to 4-feet below ground surface. Further review of the boring logs indicates certain borings did not contain any fill material as interpreted by the registered professional in charge of the borings. Therefore, further justification is warranted as to the development of background chromium concentrations in the fill material at the site.

I appreciate your cooperation. Should you have questions, please call me at (650) 363-4565.

Sincerely,

A handwritten signature in cursive script that reads "Charles Ice". The signature is written in black ink and is positioned above the printed name and title.

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program

cc: Kent Reynolds, The Source Group, 3451-C Vincent Road, Pleasant Hill, CA 94523
Lawrence G. Lossing, Lossing & Elston, 100 First Street, 25th Floor, San Francisco, CA 94105
Tom Graf, 301 Folsom Street, Suite A, San Francisco CA 94105



HEALTH SERVICES AGENCY

September 23, 2003

SMCo #559181
APN 015-023-110

John Malcolm
Malcolm Building LLC
425 Barneveld Ave
San Francisco, CA 94124-1501

**SUBJECT: MALCOLM DRILLING AT 200 OYSTER POINT BOULEVARD
SOUTH SAN FRANCISCO, CALIFORNIA**

Dear Mr. Malcolm:

San Mateo County Health Services Agency Groundwater Protection Program (GPP) issued you a letter dated May 7, 2003 requesting the submittal of a work plan to characterize the lateral and vertical extent of contamination in soil and groundwater at the above referenced site by July 7, 2003 for review and approval. As of the date of this letter, GPP has not received the requested work plan. Please submit the requested work plan by **October 23, 2003**. Failure to submit the requested work plan will result in a Notice of Violation.

I appreciate your cooperation. Should you have questions, please call me at (650) 363-4565.

Sincerely,

Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program

cc: Peter Cusack, Treadwell & Rollo, 555 Montgomery Street, Suite 1300, San Francisco, CA 94111
Lawrence G. Lossing, Lossing & Elston, 100 First Street, 25th Floor, San Francisco, CA 94105

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION

Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Michael D. Nevin • Health Services Director: Margaret Taylor
455 County Center • Redwood City, CA 94063 • phone 650.363.4305 • toll 650.573.3206 • fax 650.363.7882
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GROUNDWATER PROTECTION PROGRAM
COUNTY OF SAN MATEO
ENVIRONMENTAL HEALTH SERVICES DIVISION
COUNTY OFFICE BUILDING
455 COUNTY CENTER
REDWOOD CITY, CA 94063

03



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SENDER:

- Complete items 1 and/or additional services.
- Complete items 3, 4a, and
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

MALCOLM BUILDING, LLC
ATTENTION: DOUG CEFALI
425 BARNEVELD AVENUE
SAN FRANCISCO, CA 94124

4a. Article Number

7002 2030 0000 3875 4762

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

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MARILYN ALARCON

6. Signature: (Addressee or Agent)

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8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.



HEALTH SERVICES AGENCY

May 12, 2003

CERTIFIED MAIL

7002 2030 0000 3875 4762

SMCo SITE: #559181

Malcolm Building, LLC
Attention: Doug Cefali
425 Barneveld Avenue
San Francisco, CA 94124-1501

SUBJECT: MALCOLM DRILLING, 200 OYSTER POINT BOULEVARD, SOUTH SAN FRANCISCO, CA

Dear Mr. Cefali,

Our files indicate a discharge, or potential discharge, of waste to waters and/or soil of the State as the result of operations at the subject site. This letter is intended to clarify your responsibilities for reporting, investigating, and remediating such discharges.

San Mateo County Environmental Health Division has the lead agency role for case-handling. Regardless of the level of oversight from agencies, you are responsible for the timely reporting, investigation, and cleanup of soil and ground water pollution such that the beneficial uses of waters of the State are protected, and in compliance with appropriate policies.

You will be responsible to reimburse the County of San Mateo for site specific oversight costs incurred by the County while overseeing the cleanup of your site. These costs will include permit fees and/or hourly consultation fees.

Investigations and Cleanup Responsibilities

The subject unauthorized release has been reported as your responsibility. The following steps are the minimum required for addressing your site.

1. Determine the lateral and vertical extent of soil and ground water pollution.
2. Assess the local and regional hydrogeology as appropriate to evaluate actual or potential impacts of contamination to beneficial uses of surface and/or ground water.
3. Evaluate and implement appropriate remedial action alternatives which may include risk assessment.

PUBLIC HEALTH AND ENVIRONMENTAL PROTECTION DIVISION

Board of Supervisors: Mark Church • Rose Jacobs Gibson • Richard S. Gordon • Jerry Hill • Michael D. Nevin • **Health Services Director:** Margaret Taylor

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Doug Cefali/559181

May 12, 2003

Page 2

4. Remove all free product. Dissolved constituents and contaminated soil should be remediated consistent with State Water Resources Control Board Resolution No. 68-16.

Reporting Responsibilities

You are responsible to forward reports to this office, as follows:

1. Submittal of individual technical reports, for the site, detailing all investigative and remedial actions associated with the site. These reports shall be submitted on a quarterly basis, unless more frequent reports are requested by this office or the RWQCB. These reports shall be submitted until such time as the case is closed by Environmental Health and/or the RWQCB.
2. A summary report shall be submitted on a quarterly basis and include the following information, at a minimum.
 - a. Site name, address, city and county site number.
 - b. A brief background history of the investigation and remedial actions.
 - c. A chronological listing of actions that were taken regarding investigation and remediation during the previous quarter.
 - d. A listing, with scheduled dates, of actions planned for the next quarter.
 - e. Status on the characterization of soil pollution, free product, and dissolved constituents.
 - f. Status on remediation of soil pollution, free product, and dissolved constituents. This shall include a report of the gallons of product recovered, and a calculation for the amount of product recovered from dissolved phase removal and/or vapor extraction.

The first quarterly summary report shall be submitted thirty (30) calendar days from the postmarked date of this letter, and quarterly thereafter.

7002 2030 0000 3675 4762

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PS Form 3800, June 2002

See Reverse for Instructions

Doug Cefali/559181

May 12, 2003

Page 3

All proposals and reports which contain engineering or geological information, interpretations, or other opinions as specified by The Business and Professions Code, must be signed **AND STAMPED** by an appropriately registered professional. In general, all reports on investigation and remediation require this type of signature.

All proposals and reports submitted to us must be accompanied by a cover letter, signed by an officer or legally authorized representative of your company, which states at a minimum:

"I declare under penalty of perjury, that the information and/or recommendations contained in the attached proposal or report is true and correct."

You are required to submit the above reports pursuant to Section 13267(b) of the **California Water Code**. Failure to comply may subject you to the imposition of administrative civil liabilities by the Regional Board or County District Attorneys office of up to one thousand dollars (\$1,000) per day of non-compliance.

One (1) enclosure is included.

A partial resource list of consultants that may assist you in meeting the above requirements.

Thank you for your cooperation in this matter. Please contact me within 15 days from the postmarked date of this letter at (650) 363-4565 to further discuss your case and answer any questions.

Sincerely,



Charles Ice
Hazardous Materials Specialist III
Groundwater Protection Program

CI/mp

cc: Peter Cusack, Treadwell & Rollo, 555 Montgomery St., Ste. 1300, San Francisco, CA 94111
Anders Lungren, RWQCB, 1515 Clay St, Ste 1400, Oakland, CA 94612
Denise Tsuji, DTSC, 700 Heinz Ave, Ste 200, Berkeley, CA 94710



HEALTH SERVICES AGENCY

May 7, 2003

SMCo #559181
APN 015-023-110

John Malcolm
Malcolm Building LLC
425 Barneveld Ave
San Francisco, CA 94124-1501

**SUBJECT: MALCOLM DRILLING AT 200 OYSTER POINT BOULEVARD
SOUTH SAN FRANCISCO, CALIFORNIA**

Dear Mr. Malcolm:

Thank you for the March 20, 2003 *Environmental Site Characterization Report* submitted by Treadwell & Rollo for the above referenced site. Based on concentrations of barium, antimony, and chromium in soil and/or groundwater samples collected at the site above their Risk Based Screening Levels (RBSLs) as established by the Regional Water Quality Control Board (RWQCB) Region II (San Francisco Bay), the site has been opened by San Mateo County Health Services Agency Groundwater Protection Program (GPP) for investigation and potential remediation.

As property owner of the site at the time contamination was discovered, you have been designated the responsible party for this contamination. A second letter from GPP outlining your responsibility as an open remediation site will be sent to you via certified mail shortly. Please forward to GPP a work plan to characterize the lateral and vertical extent of contamination in soil and groundwater by **July 7, 2003** for review and approval.

For your information, RBSLs (not PRGs or TTLCs) would have been more appropriate for use as initial regulatory human and environmental health impact criteria. TTLCs are only applicable for determine waste classification for transport and disposal, not human and environmental health impacts. All detections of contaminants need to be submitted to GPP for evaluation regardless of the contaminant's concentrations versus the RBSLs and as a condition in all subsurface drilling permits. All reports submitted to GPP need to be signed AND stamped by the responsible professional in charge of the site. Future reports will not be accepted by GPP without the stamp of the registered professional in charge.

Reference was made in the report that the site was going to be developed. The City of South San Francisco, via this letter, will be notified that this site has been opened for investigation and potentially remediation based on contamination in the soil and groundwater at the site. The City of South San Francisco should notify GPP if permits are being considered for any activity in which soil will be handled (i.e. grading or excavating) or groundwater extracted (i.e. dewatering). GPP would require a soils and/or groundwater management plan prior to approval of the permits associated with soil handling or groundwater extraction. Once receiving and accepting the soils and/or groundwater management plans, GPP would approve of permits being

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May 7, 2003

Page 2

issued which resulted in soils being handled and groundwater being extracted while the site is still open. The final determination of whether the permits are issued while the site is still open with GPP is with the City of South San Francisco.

GPP oversees the investigation and potential remediation of all sites to residential land use with slab on grade construction. If there is proposed any underground component to the potential development, then GPP would request a risk assessment to be performed and submitted prior to approval of any development permit being issued by the City of South San Francisco. If the current property owner is willing to place a commercial deed restriction on the property in order to obtain less stringent clean up goals for the contamination, then please discuss with me the wording of the deed restriction which will need to be signed concurrently by GPP.

I appreciate your cooperation. Should you have questions, please call me at (650) 363-4565.

Sincerely,



Charles Ice
Hazardous Materials Specialist
Groundwater Protection Program

cc: Peter Cusack, Treadwell & Rollo, 555 Montgomery Street, Suite 1300, San Francisco, CA 94111
Jim Kirkman, Chief Building Official, 315 Maple Avenue, South San Francisco, CA 94080
Tom Sparks, Chief Planner, 315 Maple Avenue, South San Francisco, CA 94080



Environmental and Geotechnical Consultants

555 Montgomery Street, Suite 1300

San Francisco, California 94111

Phone: 415/955-9040

Fax: 415/955-9041

**SANMATEO COUNTY
ENVIRONMENTAL HEALTH**

APR - 8 2003

RECEIVED

LETTER OF TRANSMITTAL

Attention: Charles Ice

Company: San Mateo County Health Services

Address: Public Health and Environmental Health Division

455 County Center

Redwood City, CA 94063

Subject: 200 Oyster Point Boulevard

We are sending you

☒ Attached

☐ Under separate cover

Via ☒ Mail

☐ Federal Express

☐ Courier

Submittal No.	Copies	No. of Pages	Description
1	1		Enviromental Site Characterization Report, 200 Oyster Point Boulevard, South San Francisco, California, dated 20 March 2003.

These are transmitted as checked below:

☐ For approval

☒ For your use

☒ As requested

☐ For review and comment

☐

Remarks:

Signed:

Peter J. Cusack

Copy To: File